

Visioning Kentucky's Future Measures and Milestones 2006

KENTUCKY
LONG-TERM POLICY RESEARCH CENTER

VISIONING KENTUCKY'S FUTURE MEASURES AND MILESTONES 2006

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LONG-TERM POLICY RESEARCH CENTER

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PREFACE

In keeping with its statutory requirement to advise and inform the Governor, the General Assembly, and the public about long-term implications of trends and policies, the Kentucky Long-Term Policy Research Center presents its 2006 biennial trends report, the seventh in this series.

The report is organized around five major issue areas that emerged from a 1994 effort to shape a citizen vision for the future of the state. Within these areas—communities, education, economy, environment, and government—we present 26 long-term goals and 103 measures of progress. Results from our fifth statewide survey gauge citizen opinion of progress on each goal and its relative importance. This report will be of service to all who are interested in our state’s current standing, the future it implies, and the action it compels.



The Kentucky Long-Term Policy Research Center was created by the General Assembly in 1992 to bring a broader context to the decisionmaking process. The Center’s mission is to illuminate the long-range implications of current policies, emerging issues, and trends influencing Kentucky’s future. The Center has a responsibility to identify and study issues of long-term significance to the state and serve as a mechanism for coordinating resources and groups to focus on long-term planning.

The Center is governed by a 21-member board that includes four appointees from the executive branch, six from the legislative branch, and 11 at-large members who represent universities, local governments, communities, and the private sector. In accordance with its authorizing legislation, the Center is attached to the legislative branch of Kentucky state government. The composition of its board, however, affords it functional independence and permits it to serve both the executive and legislative branches of government equally, as well as the public.

Michael T. Childress is Executive Director of the Center. Those interested in further information about the Kentucky Long-Term Policy Research Center should contact his office at:

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ACKNOWLEDGMENTS

The Kentucky Long-Term Policy Research Center wishes to acknowledge and extend its deepest gratitude to the many public employees and the offices and agencies they represent for their generous contributions of time and energy to this project. Without their help, this document would not be possible. By providing timely data and information, these public employees not only contributed to this important decision- and policymaking tool, they demonstrated the importance of collaboration and cooperation among the many agencies, offices, and people of government who strive to serve the citizens of this state and nation.

Accordingly, we dedicate this edition of *Visioning Kentucky's Future: Measures and Milestones* to the unsung public employees, local, state, and federal, who quietly go about the day-to-day task of compiling data and information for public use. In doing so, they enrich understanding of our strengths, shortcomings, and failings, and empower us to act accordingly.

INTRODUCTION

Because we live in an era of unprecedented change, the need to anticipate and prepare for what lies ahead has become central to the work and the mission of government. Increasingly, knowledge and information are the tools that enable policymakers as well as citizens to glimpse the shape of things to come, seize opportunities as they arise, and avoid costly mistakes. Thinking and planning strategically—adopting a long-term view and evaluating policy from a broader perspective—facilitates a measured approach toward public policy and a maximum return on public investments.

This biennial report uses a wide-angle lens to focus on a broad array of trends influencing the Commonwealth, which we examine against the backdrop of an inclusive citizen vision of the future and 26 long-term goals for achieving it. Initially crafted in 1994 after engaging the public in 15 forums across Kentucky, the vision statement reflects the fundamental values of our citizens and their hopes for the future: *We envision a future for the Commonwealth of Kentucky that unites us in common purpose and builds on the strengths of our heritage and our resources. We see vibrant, nurturing communities, lifelong, quality educational opportunities, a sustainable, prosperous economy, a clean, beautiful environment, and honest, participatory government at all levels.*

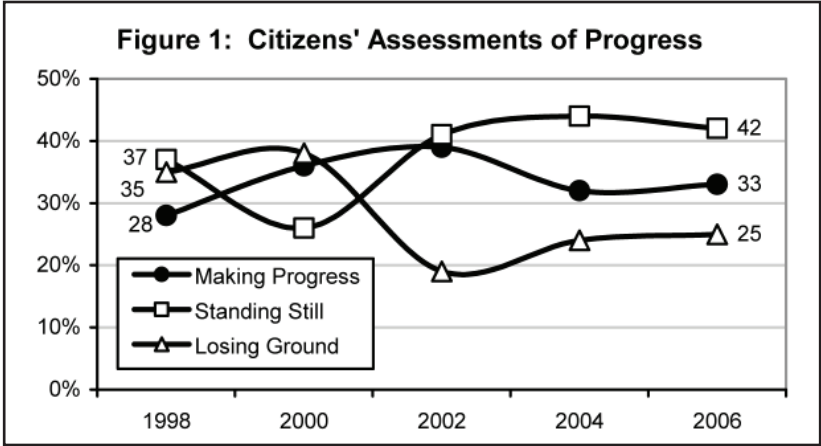
TABLE 1
Goals Ranked by Importance and Progress

Goal	Importance Rank					Progress Rank				
<i>Kentuckians envision:</i>	1998	2000	2002	2004	2006	1998	2000	2002	2004	2006
vibrant, nurturing communities										
1. Safe and Caring Communities	2	3	1	3	3	17	12	5	8	12
2. Responsibility for Family Success	10	13	2	4	6	16	15	14	14	13
3. Decent, Safe, Affordable Housing	8	6	5	5	4	11	7	12	13	18
4. Accessible, Quality Health Care	3	1	3	1	1	26	26	26	26	26
5. Trust and Civic Pride	22	23	16	19	19	10	19	18	17	17
6. Value, Respect for All Individuals	15	16	15	20	23	13	11	16	6	8
lifelong, quality educational opportunities										
7. Excellent System of Lifelong Learning	1	2	4	2	2	14	8	6	5	6
8. Internationally Competitive Education	11	10	14	13	12	12	10	10	11	14
9. Children Who Are Ready, Able to Learn	13	9	10	16	11	19	16	15	7	9
10. Safe, Stable Learning Environments	6	4	7	11	8	23	20	4	3	1
11. Partnerships to Promote Education	14	12	18	14	22	3	5	3	4	3
12. Arts Opportunities	26	26	26	26	25	4	2	1	1	4
a sustainable, prosperous economy										
13. End to Poverty and Its Effects	4	5	9	7	5	21	24	25	25	25
14. Broadly Beneficial Development	5	8	8	8	10	15	17	19	22	21
15. Beneficial Participation in a Global Economy	25	24	25	25	24	1	4	8	15	7
16. Strong Farm Economy	17	15	17	15	17	25	22	21	20	19
17. Physical Infrastructure to Support Development	19	17	21	18	14	9	13	17	16	16
18. State-of-the-Art Technological Infrastructure	20	22	20	21	15	5	6	13	18	15
19. Fiscal, Tax, and Regulatory Structure	9	14	12	10	16	20	25	24	23	23
20. Entrepreneurial Economy	21	25	23	22	20	18	18	20	19	20
a clean, beautiful environment										
21. Environmental Protection	12	18	13	17	18	6	1	2	2	2
22. Wise Use of Resources & Recycling	24	21	22	23	26	2	3	9	10	10
23. Environmental Awareness	23	20	24	24	13	7	9	11	12	11
honest, participatory government at all levels										
24. Open, Responsive Government	7	7	6	6	7	22	23	23	24	24
25. Fair, Effective Justice System	16	11	11	9	9	24	21	22	21	22
26. Active Civic Participation	18	19	19	12	21	8	14	7	9	5

Organized around 26 long-term goals which form a road map toward a preferred vision of Kentucky's future, this report presents the results of public opinion surveys conducted every two years since 1998 asking Kentuckians to evaluate the *importance*

and *progress* of these goals. Specifically, we ask citizens to identify the goals they believe are most important and to evaluate each goal on whether we are making progress, standing still, or losing ground. We use these survey results to rank the goals by importance and progress (see Table 1).

It appears that, overall, citizens perceive the state as moving, albeit slowly, toward this preferred vision of Kentucky's future. From 1998 to 2006, the percentage of Kentuckians who view the state as making progress increased slightly from 28 to 33 percent while those who perceive the state as standing still increased from 37 to 42 percent (see Figure 1). Meanwhile, those who see the state as losing ground dropped sharply from 35 to 25 percent.¹



These public opinion survey results are consistent with the trajectory of the Center's State of the Commonwealth Index, which shows Kentucky making slow but steady progress relative to the nation from 1990 to 2003.² This empirically based Index combines 32 different factors, including measures of community attributes, education, the economy, the environment, and government, into a single quality-of-life index. Virtually all of the factors comprising this Index, which range from the crime rate to per capita income, are also included as indicators in this report.³ Based on the Center's State of the Commonwealth Index, Kentucky's national ranking improved from the mid-40s in the early 1990s to the low 40s by the early 2000s.

The public opinion survey on the 26 goals, the State of the Commonwealth Index, and many of the indicators presented in this biennial trends report show Kentucky generally moving in the right direction. Yet, while we have made progress on many important measures, we have not necessarily gained much ground on other states. This mixed picture is evident in many areas and possibly suggests future public policy directions. There are at least five broad themes evident in this report:

Running Harder to Stay in Place—The educational attainment and income trends illustrate how many Kentuckians are running harder just to keep pace. Kentucky has invested considerable resources in improving its education system and has realized significant returns from these investments, as evidenced by rising college enrollments, improving performance on the 8th grade NAEP reading test, and increasing educa-

tional attainment rates. However, even though Kentucky's high school attainment rate increased from around 65 percent in 1990 to 79 percent in 2005 and the bachelor's degree attainment rate increased from almost 14 percent to just over 19 percent over the same time period, our national rankings did not improve, remaining at 49th and 48th respectively. Likewise, Kentucky's average annual per capita personal income was \$25,000 in 2005 (in 2000 constant dollars), a substantial increase from a decade ago when it was just over \$21,000. Yet, Kentucky's per capita personal income remained at 82 percent of the national average. These trends illustrate that most other states are making progress too, and that it will take extraordinary effort for Kentucky to make extraordinary gains.

Winners and Losers—The rapidly changing globally integrated economy is rewarding those with higher levels of education and skills and creating distinct winners and losers. These fundamental structural changes to the economy are reflected in changes in real family income over the last few decades. Upper middle class families in Kentucky, those at the 75th percentile in income, experienced a 19 percent increase in real income between 1976-78 and 2003-05, while lower middle class families, those at the 25th percentile, saw only a 4 percent increase. And the differences are even more pronounced at the 10th and 90th percentiles, exhibiting a 7 percent *decrease* and 30 percent increase, respectively. The uncertainty created by these structural economic changes is surely a contributing factor in why, for example, goal 14's progress rank, which focuses on "broadly beneficial development" has been steadily declining. Historically, we do not have a problem creating jobs, demonstrated by an unemployment rate that has paralleled the national average. Rather, we have a problem creating *high-quality* jobs, evidenced by the state's relatively low number of scientific research and development firms and patents issued to our citizens and businesses. To create more "winners" and fewer "losers," it is essential for our citizens to embrace the notion of lifelong learning and value the pursuit of education.

New Prescription for Health Care—According to our public opinion surveys, Goal 4, *All Kentuckians will have access to affordable, high-quality, and comprehensive health care that stresses the importance of preventive care*, has consistently ranked at or near the top as the state's most important goal and dead last in progress. Were we to poll Kentucky businesses, we would likely find similar results, as insurance costs have risen sharply in recent years. The combined deficits of under- and uninsurance, as well as undereducation, which is clearly linked to poor health outcomes, have contributed to a very poor health status relative to the nation, which does not fare well relative to other developed countries. In short, we are not very healthy. We lead the nation in the adult smoking rate and rank fifth in adult obesity, two significant behavioral risk factors that cause a long list of chronic and costly health conditions like heart disease, cancer, stroke, and diabetes. Moreover, the health status of our citizens has a direct effect on our collective medical bill, affecting family expenses, business ledgers, and government budgets. Medicaid expenditures, for example, now exceed spending on elementary and secondary education.⁴ It will be difficult for Kentucky to find the necessary education and infrastructure resources to ensure success in this rapidly changing global economic system as long as a growing portion of state resources are dedicated to health care. Clearly, Kentucky, like the nation, needs a "new prescription for health care."

Strong Foundation for Progress—The foundation for future success will be determined, in part, by the strength of our transportation, technological, and environmental infrastructure, which appears strong based on many of the indicators presented here. Ideas, innovation, and intellectual capital form the foundation of the evolving knowledge economy, but Kentucky, like most states, is still centered on making and growing things, extracting and transporting raw materials, and moving people and products to markets and workplaces. Thus, for the foreseeable future the traditional transportation infrastructure, the condition and performance of the road system, which is on par with other states and ranked high in cost-effectiveness according to a just-released national report,⁵ will remain an essential piece of the economic development puzzle. An emerging facet of economic and community development is the technology infrastructure. Unfortunately, Kentuckians do not seem to fully realize the importance of high-speed Internet, ranking Goal 18, *Kentucky will develop a state-of-the-art technological infrastructure that complements its learning culture and bolsters its competitive position in the world economy*, surprisingly low on both progress and importance. Virtually the entire population of Kentucky lives in a zip code with at least one high-speed Internet provider, but only 35 percent of adult Kentuckians have residential high-speed Internet connections, compared to 42 percent nationally. Finally, a clean and beautiful environment, reflected in increasing acreage dedicated to nature preserves as well as better air quality, is important not only for aesthetic, tourism-related, and public health reasons, but also for attracting and retaining highly skilled professionals who value an amenity-rich environment. Continuing to build and strengthen an already strong foundation for progress will help ensure future economic success for the Commonwealth.

Importance of Leadership and Civic Engagement—Fiscal resources are expected to tighten in the future because of the aging population, rising health care costs, and looming government obligations.⁶ Consequently, governments will look increasingly to community-based organizations, nonprofits, the private sector, and citizens for collaborative opportunities to solve problems and seize opportunities. Kentucky's stock of social capital is relatively strong, evidenced by high levels of volunteerism, charitable giving, social trust, and community involvement, which bodes well for the future. The challenges and opportunities before us are immense. Leadership and civic engagement are needed from every region and at every level for Kentucky to successfully navigate the uncharted waters ahead.

¹ These are the aggregate results based on assessments of all 26 goals.

² Amy Watts, "The State of the Commonwealth Index: Kentucky Makes Steady Quality-of-Life Progress," *Foresight* 45 (2006): 1-4.

³ The State of the Commonwealth Index includes a transportation index representing seven different factors. One of the factors used in the transportation index, the condition of bridges, is used in this report.

⁴ National Association of State Budget Officers (NASBO), *2004 State Expenditure Report* (Washington: NASBO, 2005) 2 Nov. 2006 <<http://www.nasbo.org/Publications/PDFs/2004ExpendReport.pdf>>. According to NASBO, Kentucky's state spending by function as a percentage of total state expenditures in Fiscal Year 2004, was 21.7 percent for Medicaid, followed closely by 19.3 percent for elementary and secondary education.

⁵ David T. Hartgen and Ravi K. Karanam, *15th Annual Report Performance of State Highway Systems (1984–2004)* (Los Angeles: Reason Foundation, 2006) 2 Nov. 2006 <<http://www.reason.org/ps350.pdf>>.

⁶ U.S. Government Accountability Office (GAO), *The Nation's Long-Term Fiscal Challenge*, 1 Nov. 2006 <<http://www.gao.gov/special.pubs/longterm/challenge.html>>.

COMMUNITIES

1

Kentucky
communities
will be safe
and caring
places that
enable all
citizens
to lead
productive,
fulfilling
lives.

While remaining of critical importance to Kentuckians, consistently ranking in the top three on this scale, our progress in achieving safe and caring communities has slipped, citizens tell us. Goal 1 ranked 12th this year on progress, and the percentage of people who view the Commonwealth as making progress on this goal has eroded substantially since the post-9/11 poll of 2002.

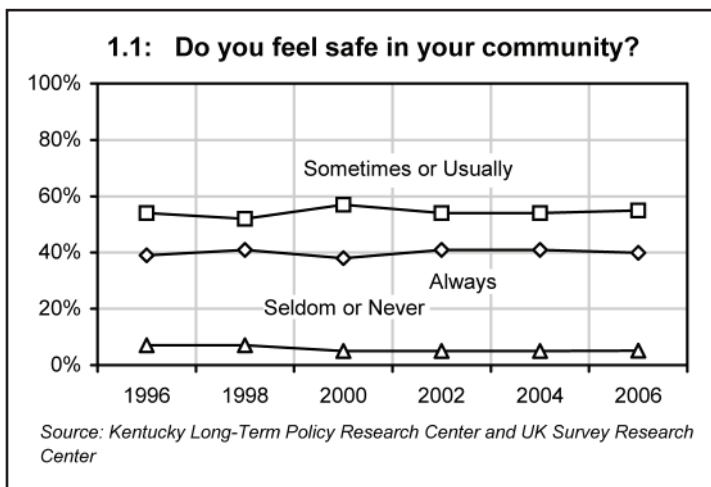
	1998	2000	2002	2004	2006
Making Progress	38%	38%	47%	39%	36%
Standing Still	35%	39%	38%	41%	40%
Losing Ground	27%	23%	15%	19%	23%

1.1

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Personal Safety

A series of statewide surveys conducted over the last decade track a fundamental measure of the health of Kentucky communities—how safe individuals believe they are in the places they call home. On average, 40 percent of Kentuckians have reported that they always feel safe in their communities with 55 percent feeling safe sometimes or usually, testament to an enviable quality of life by any measure. At the same time, only about 5 percent of Kentuckians, on average, have reported that they seldom or never feel safe in their communities. The strong sense of personal safety that most citizens enjoy is undoubtedly tied to the enduring rural way of life that remains here and the no-locked-doors sense of well-being that low crime rates, neighborliness, and strong community ties engender in these communities.

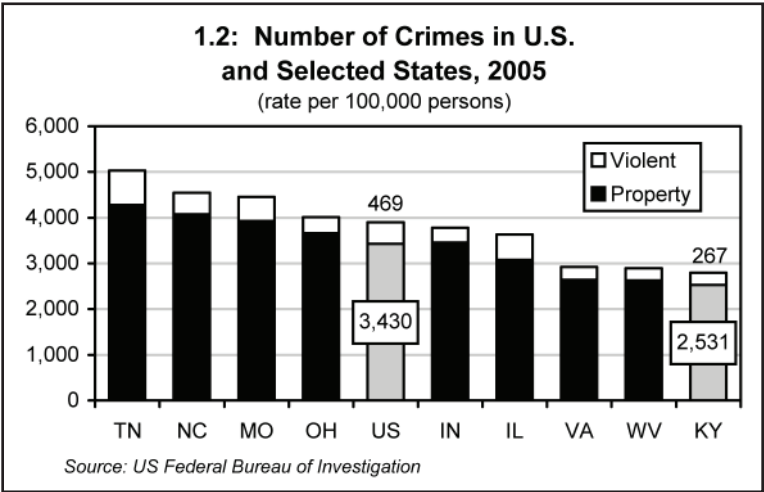


Crime

The crime rate offers particularly telling evidence of community well-being. The number of violent crime offenses reported to law enforcement in Kentucky in 2005, which include murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault, remained well below the national rate as well as the rates reported by every surrounding state. The same held true for the number of property crimes, such as burglary, larceny-theft, and motor vehicle theft. Kentucky's relatively low crime rate remains a strong asset that is testament to a generally tranquil way of life that has broad appeal.

1.2

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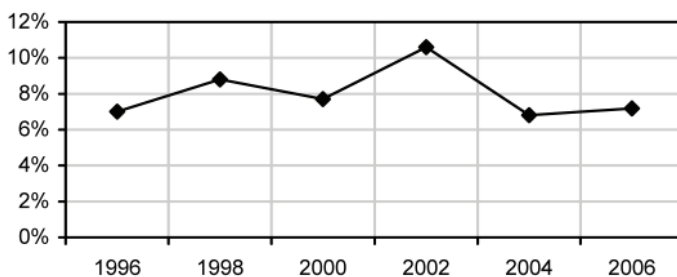
1.3

Neighborliness

The more extensive our networks of neighbors, friends, and community members who share common interests, the more secure we are likely to feel. Such networks are especially important for older Kentuckians, whose needs for support often become more acute. In surveys conducted biennially between 1996 and 2006, we find that, in general, only about 7 or 8 percent of all respondents report having no one other than a family member to rely upon in time of need, a finding that suggests an enduring presence of healthy social networks. Moreover, we found no statistically significant difference between the responses of Kentuckians aged 65 and older and those from adults under age 65. Our enduring rural heritage combined with Kentucky's high native population likely contributes significantly to our sense of neighborliness.

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1.3: Percentage of Kentuckians Who Report Having No One, Outside Family, to Call in Times of Need



Source: Kentucky Long-Term Policy Research Center and UK Survey Research Center

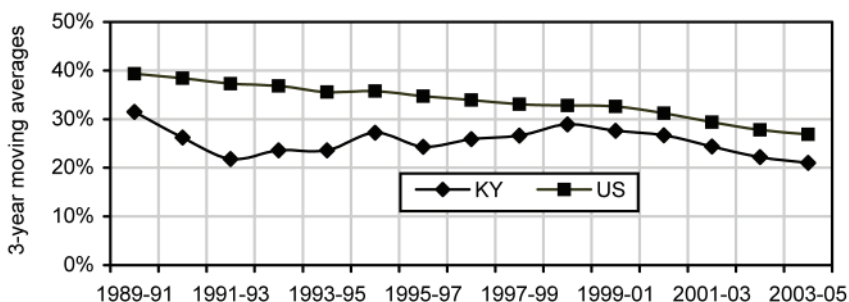
Employment of People with Disabilities

Policies at both the national and state levels recognize the importance of gainful employment opportunities for people with disabilities. From President Bush's New Freedom Initiative to state-level policies and programs, efforts to enhance employability and expand job opportunities for people with disabilities have been a longstanding government staple. Unfortunately, the employment rate of persons with disabilities has declined both at the state and national levels since 1989. For the Commonwealth, these trends have significant economic implications, as the state has the nation's second highest disability rate among adults aged 21 to 64 at 20 percent. Given the promise of equal employment opportunity set forth in the Americans with Disabilities Act of 1990 and the well-intended state and federal initiatives that followed, these trends are disappointing.

1.4

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**1.4: Employment Rates of Persons* with Disabilities,
Kentucky and the U.S., 1989-2005**



*Noninstitutionalized civilians, 18 to 64 years old

Source: The Rehabilitation Research and Training Center of Economic Research and Employment Policy for People with Disabilities, Cornell University, using March CPS data

2

Kentucky's
communities
and citizens
will share
responsibility
for helping
families
succeed.

Community responsibility for family success remains in the upper tier of goals of importance to Kentuckians; however, little change in citizen assessments of progress on this goal has occurred. Since the watershed of 2002, the portion of Kentuckians who perceive the state as making progress on this goal has declined sharply while nearly half of citizens now see our state as standing still.

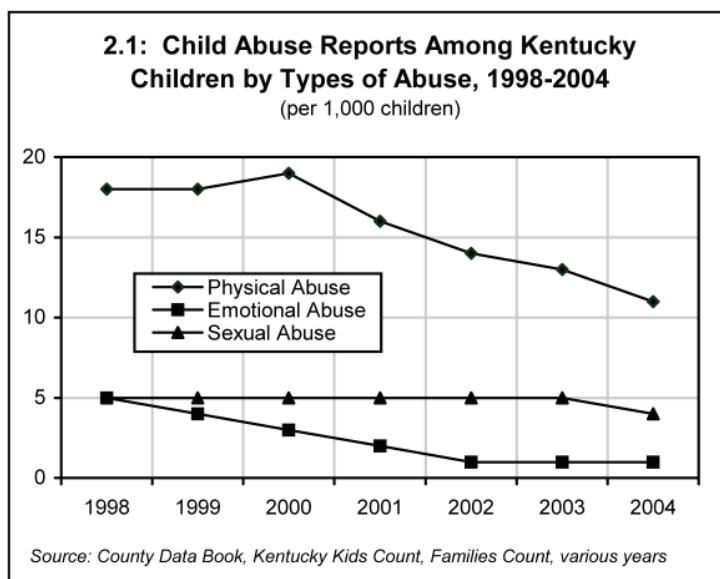
	1998	2000	2002	2004	2006
Making Progress	35%	35%	41%	34%	31%
Standing Still	43%	42%	44%	48%	48%
Losing Ground	22%	24%	15%	18%	20%

2.1

Child Abuse

Efforts to ensure the emotional and physical well-being of Kentucky's children and tomorrow's adults surely must rank among our highest priorities. Research has consistently shown that child abuse, the most profound lapse in our responsibility to children, too often takes a lifelong toll. Further, its victims are far more likely to become criminals and/or perpetrators of abuse. The human and economic costs associated with child abuse ultimately are incalculable. According to the Cabinet for Families and Children, reports of physical child abuse in Kentucky have steadily declined in recent years, a trend that may be indicative of heightened public awareness and increasingly effective intervention. Reports of sexual and emotional child abuse, though significantly fewer in number, have remained virtually unchanged.

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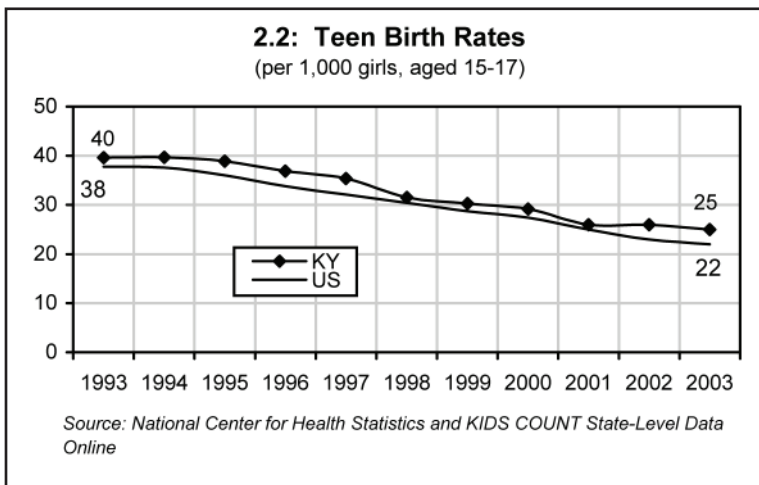


Teen Parents

Teenagers, as a rule, are not emotionally, psychologically, or financially prepared to accept the responsibilities of raising children. Consequently, the negative impact of teenage pregnancy and parenthood will likely influence their quality of life and that of their parents and siblings. They are more likely to live in poverty, further limiting their opportunities when they reach adulthood. Birth rates among teen girls aged 15-17 have declined at state and national levels in recent years, though the most recent data show the gap between Kentucky and U.S. rates has widened.

2.2

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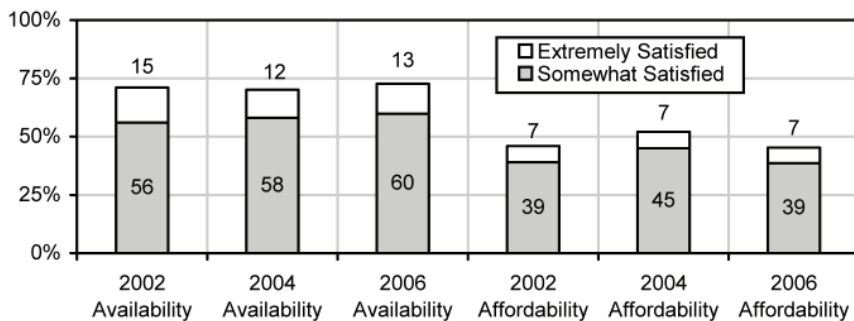
2.3

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Elder Care

While many individuals live independently as they age, the average age upon admission to a nursing home is about 80. Kentucky's population aged 80 years and older is projected to number almost 220,000 by 2030, a significant increase from 126,000 in 2000. Our ability to meet the many and varied needs of elders will become an increasingly important aspect of family success. Access to high-quality elder care services, from all levels of institutional care to in-home support, is critical to the well-being of older citizens. Here, our surveys show that about 73 percent of Kentuckians express high levels of satisfaction with the availability of quality elder care services, but only 46 percent express satisfaction with the affordability of these services. Thus, availability becomes a relative term for Kentuckians who cannot afford quality elder care but whose incomes are too high to qualify for assistance from Medicaid.

2.3: Levels of Satisfaction with the Availability and Affordability of High-Quality Elder Care in Kentucky



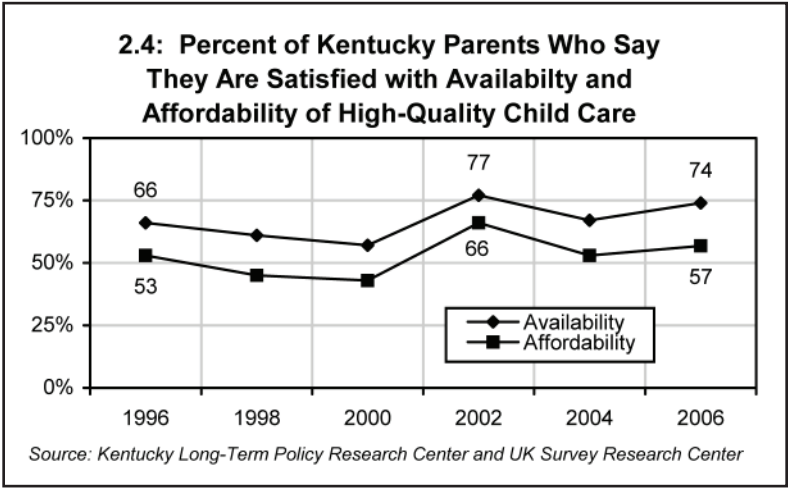
Source: Kentucky Long-Term Policy Research Center and UK Survey Research Center

Child Care

The earliest physical, mental, emotional, and social influences on a child’s life establish the framework for their lives. In recent years, Kentucky has sought to coordinate systematic efforts to meet early childhood needs and support families and other caregivers to help ensure that each child reaches his or her full potential. The efficacy of these efforts, however, will depend upon our commitment to reaching small children where they are. Many are in child care centers, the quality of which is critically important to child development. Statewide surveys conducted in 1996, 1998, 2000, 2002, 2004, and 2006 show a slight trend upward in overall satisfaction levels with both the availability and the affordability of high-quality child care.

2.4

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3

Kentuckians will have decent, safe, and affordable housing.

Consistently of high importance to Kentuckians, the availability of decent, safe, affordable housing is becoming an increasingly elusive goal, citizens conclude. Only a third perceive the state as making progress on this key measure of community health, and the goal now ranks 18th on progress, down from its peak at 7th in 2000.

	1998	2000	2002	2004	2006
Making Progress	41%	44%	45%	38%	33%
Standing Still	37%	32%	38%	39%	41%
Losing Ground	22%	24%	17%	22%	26%

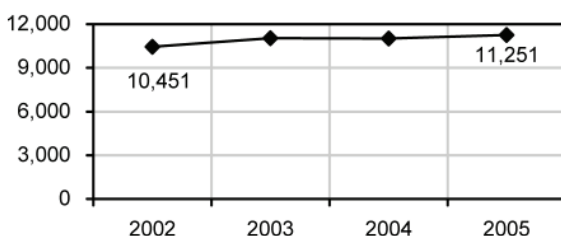
3.1

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Homelessness

Virtually impossible to count by traditional, residence-based methods, the nation's homeless population has been estimated at roughly 2.5 million people. In spite of uncertainty about its size, community-based programs have learned that many of the homeless have problems with substance abuse and mental illness, and about a fourth are veterans. Typically, about a quarter are chronically homeless. Surveys conducted between 2002 and 2005 by the Louisville Metro Area Coalition for the Homeless found a slowly growing, predominantly male population. But single women, about a third of whom are chronically homeless, were 21 percent of the population in 2005, up from 16 percent in 2002. Known causes of homelessness point to interventions that can alleviate this costly tragedy. Miami has dramatically reduced its homeless population by locating homeless people and providing them with supportive housing with access to treatment for substance abuse and mental illness, and job and education counseling.

3.1: Persons Served by Louisville's Homeless Shelters, 2002-2005



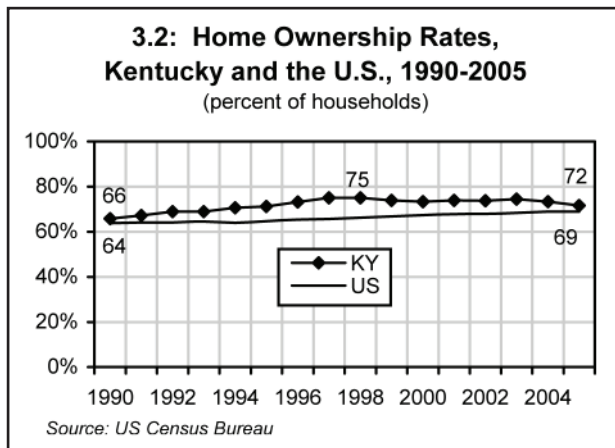
Source: Coalition for the Homeless, Inc.

Housing Affordability

The U.S. Census Bureau defines home ownership rates as the proportion of households that are headed by people who own their homes. They are computed by dividing the number of households with owners by the total number of households. Housing affordability and rates of home ownership have increased steadily nationwide since 1990 as a result of sustained record low interest rates. Kentucky home ownership rates, however, which were consistently above the national average over the past decade, have steadily declined since their peak in 1998. While they remained 3 percentage points higher than the national average in 2005, the gap between historically high rates here and the national average has narrowed.

3.2

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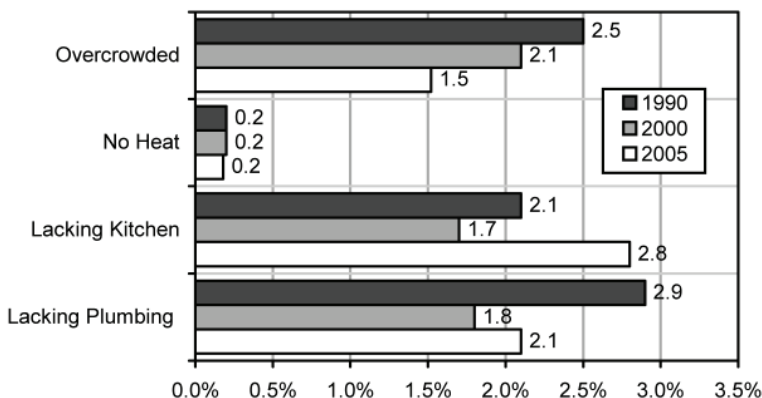
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Housing Adequacy

Today, a surprising portion of Kentucky's housing is characterized as inadequate by the most basic standards. Factors that lead to the classification of housing as "substandard" include incomplete plumbing and kitchen facilities and no heat. Overcrowding, which is defined as having more than one person living in each room, also constitutes housing inadequacy. By 2005, the percentages of occupied housing units that were overcrowded (1.5 percent) had declined since 1990, and those that did not use heating fuel remained at 0.2 percent over the same period. Of all the housing units in Kentucky, those that lacked complete plumbing facilities (2.1 percent) declined, while the percent of those lacking complete kitchen facilities (2.8) increased over their 1990 values. These relatively small percentages belie the actual numbers of housing units represented—more than 38,000 homes in Kentucky lack complete plumbing facilities while more than 53,000 have incomplete kitchen facilities.

3.3: Percent of Inadequate Housing Units* in Kentucky, 1990, 2000, and 2005



* "Overcrowded" and "no heat" were calculated as a percent of "occupied housing units" only; the remaining percentages were calculated using "total housing units."

Source: US Census Bureau

Access to Subsidized Housing

Section 8, a federal program that subsidizes housing costs for needy people, has long waiting lists in virtually every community it serves here. While waiting lists typically decline as more housing becomes available, need often overwhelms the potential for assistance. More recently, waiting lists have swelled, suggesting that national trends are much in evidence here. When Covington's waiting list was opened for just 60 days before reclosing, it tripled. Nationally, U.S. housing costs soared by a median of 32 percent between 2000 and 2005, according to the U.S. Census Bureau, consuming a growing portion of nearly stagnant incomes. Moreover, federal outlays for Section 8 housing are expected to decline or, at best, remain unchanged. Thus, affordable housing will likely remain out of reach for a growing number of low-income Kentuckians for the foreseeable future.

3.4

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**3.4: Waiting Lists for Section 8 Housing,
Selected Kentucky Cities**

	1997	1999	2001	2003	2005
KHC	8,700	5,115	7,155	12,611	9,899
Covington	900	396	500	312	1,000
Louisville	12,000	9,972	6,987	11,560	11,895
Paducah	100	175	227	258	597
Lexington	1,900	1,604	2,819	4,039	3,906
Bowling Green	200	204	270	350	400

Source: Kentucky Housing Corporation (KHC) and selected city governments

4

All
Kentuckians
will have
access to
affordable,
high-quality,
and
comprehensive
health care
that stresses
the importance
of preventive
care.

Only 15 percent of citizens viewed Kentucky as making progress toward high-quality health care for all in 2006. Kentuckians have consistently ranked progress on this goal at the bottom since 1998 and ranked it in the top three in terms of importance. In 2004 and 2006, it ranked as the most important goal for the future of our state.

	1998	2000	2002	2004	2006
Making Progress	18%	17%	19%	13%	15%
Standing Still	30%	30%	37%	28%	30%
Losing Ground	52%	53%	44%	59%	55%

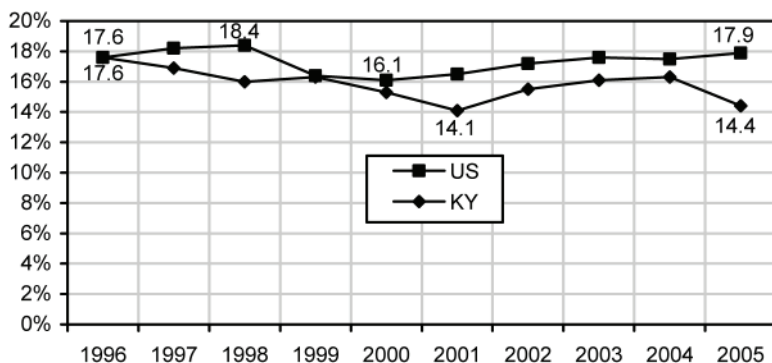
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Health Insurance Coverage

While U.S. health insurance costs rose at their slowest rate since 2000 (7.7 percent) in 2006, the rate was more than twice that for wages (3.8 percent) and inflation (3.5 percent). Health care and, in turn, health insurance costs have risen sharply since 2000, peaking at 13.9 percent nationally in 2003 and pushing health insurance out of reach for a growing number of people. More than 46 million Americans under the age of 65 did not have health insurance in 2005. In Kentucky more than half a million (514,000) people were uninsured. Only in 1996, when uninsured rates peaked here, did state and national rates converge at 17.6 percent. Otherwise, Kentucky's rate has remained below the national average, falling more than 3 percentage points below it in 2005. The difference is largely attributable to a higher portion of Medicaid recipients here than nationally, 14.9 percent compared with 13.4 in 2005. Kentucky's large manufacturing base, which has traditionally offered generous benefits, also plays a role.

4.1: Percent of People Under Age 65 with No Health Insurance, Kentucky and the U.S., 1996-2005



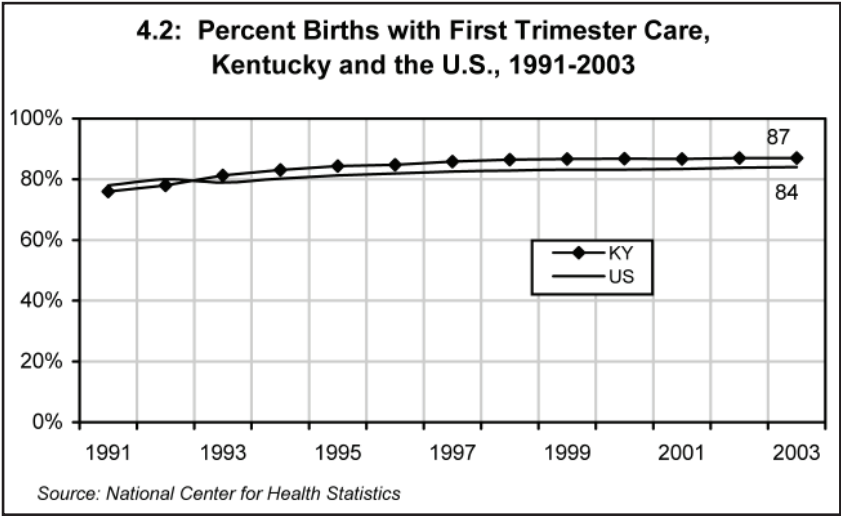
Source: US Census Bureau

Prenatal Care

Low birthweight is one of the most negative consequences for babies born to mothers who did not receive adequate prenatal care during the first trimester. Low birthweight has been linked to a series of poor health outcomes that have lifelong consequences and increase the likelihood of infant mortality. Kentucky's vigorous early childhood initiatives have helped educate pregnant women about what constitutes good prenatal care, and the state-run Medicaid Program provides prenatal care to many low-income women. On this important measure of health, Kentucky moved above the national average in 1993 and has remained there throughout the subsequent years.

4.2

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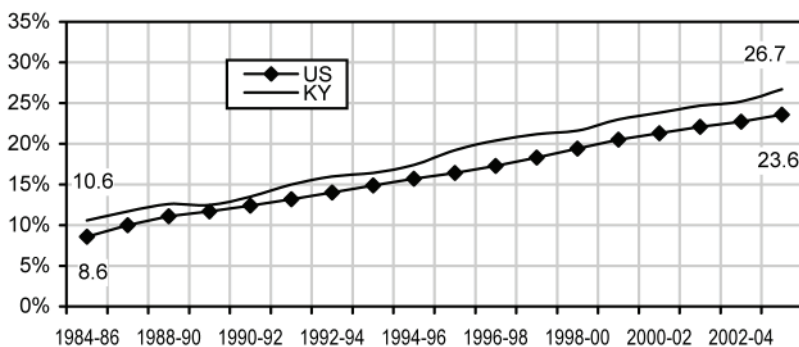
4.3

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Obesity

Obesity is a major risk factor for potentially deadly diseases, including diabetes, heart disease, stroke, and cancer. In turn, the incidence of these illnesses drives up health care costs, increases disability rates, and leads to premature death. Unfortunately, the obesity rate has increased dramatically since 1984, both nationally and in Kentucky. Nearly 27 percent of Kentucky adults are obese (2003-2005 average), and the state now ranks 5th in the nation in the prevalence of adult obesity. Moreover, an additional 37 percent of Kentucky adults are overweight, which also puts them at risk of chronic illness and premature death. Recently published medical research found that a 50-year-old who is slightly overweight has a 20 to 40 percent higher risk of dying during the next 10 years when compared to someone of normal weight, and a 50-year-old obese person is two to three times more likely to die. Estimates of annual obesity-related medical expenditures place the cost of obesity at around \$1.1 billion (in 2003 dollars) in Kentucky.

4.3: Prevalence of Obesity Among Adults Aged 18 and Older, Kentucky and the U.S., 1984-2005
(3-year moving averages)



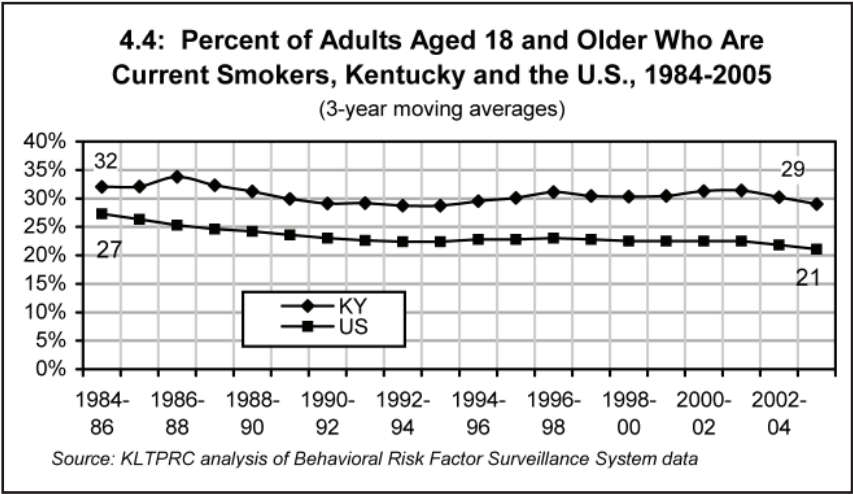
Source: KLTPRC analysis of Behavioral Risk Factor Surveillance System data

Smoking

While some researchers now regard being overweight or obese as its near equal, smoking remains the leading preventable cause of death in the United States. Yet a higher percentage of Kentuckians continue to smoke than in any other state in the nation. As a consequence, leading causes of death, including lung cancer and heart disease, take a disproportionately high toll here. With a smoking rate of almost 29 percent (2003-2005 average), Kentucky is well above the national average of 21 percent. Indeed, the gap between state and national smoking rates has widened over the last 20 years. Since 1984-1986, the U.S. smoking rate has declined by 6 percentage points, compared to just 3 percentage points in Kentucky. Annual smoking-attributed medical expenditures in Kentucky are estimated to exceed \$1.1 billion (in 1998 dollars), with studies showing that smoking-attributed medical expenditures range between 6 percent and 9 percent of total medical expenditures. Clearly, smoking remains a significant health problem for the Commonwealth.

4.4

KENTUCKY
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5

Kentucky
communities
will have
high levels
of trust and
civic pride
realized
from broad
citizen
participation
in their
continuous
development.

Perceptions of progress have shifted in regard to trust and civic pride—only 28 percent of Kentuckians saw progress in 2006 compared to 39 percent in 1998. Likewise, the ranking of progress on this goal has dropped well below its 1998 high at 10th. Ranked importance of this goal has remained relatively low, reaching a high of 16th on our post-9/11 survey.

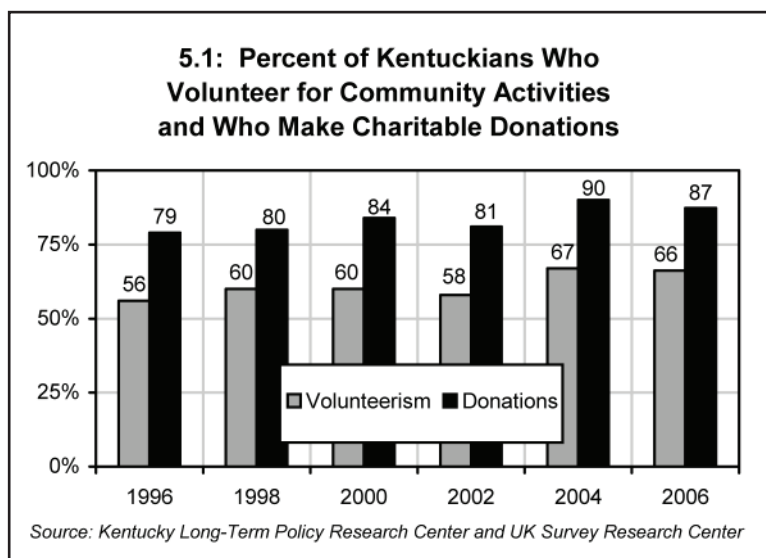
	1998	2000	2002	2004	2006
Making Progress	39%	30%	32%	28%	28%
Standing Still	41%	45%	51%	51%	51%
Losing Ground	20%	25%	17%	21%	21%

5.1

Volunteerism and Charitable Giving

The key finding in a 2006 report by the National Conference on Citizenship, a nonprofit organization chartered by the U.S. Congress, is that “our (national) civic health shows steep declines over the last 30 years.” Nationally, volunteering and charitable giving are virtually unchanged since 1996, but in Kentucky we see modest improvement in both. The percentage of Kentucky adults who volunteered in the previous 12 months reached 66 percent in 2006—10 percentage points higher than in 1996. Similarly, 87 percent of Kentucky adults indicated that they made a charitable donation in 2006, up from 79 percent in 1996. These two indicators are moving in the right direction and hopefully bode well for Kentucky’s future civic health.

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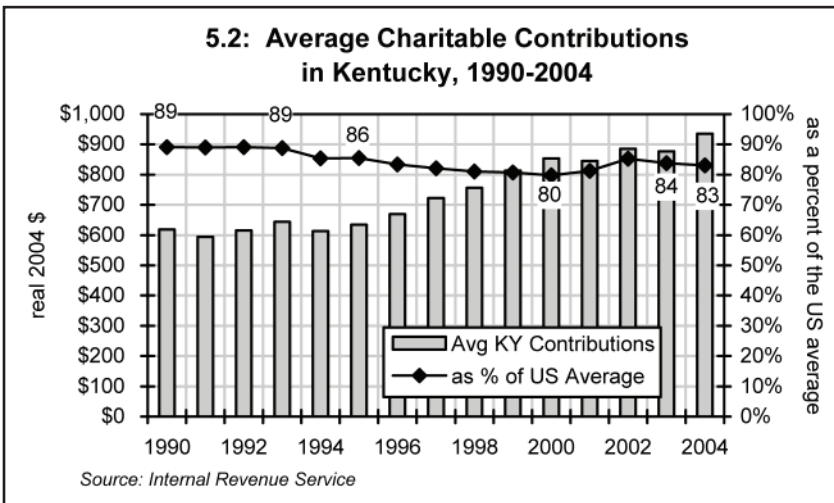


Charitable Giving

In recent years, this nation's giving spirit has met many trials. From the devastation of natural disasters to the awful consequences of poverty and war, events and issues continue to compel Americans to give. Nationally, charitable giving rose 6 percent to more than \$260 billion in 2005, with natural disaster relief comprising about half of the \$15 billion of annual growth. The extraordinary philanthropic response to these events topped all disaster relief records and totaled 3 percent of all giving. The Commonwealth has a long history of generosity that belies its relative poverty. In 2005, many Kentucky communities gave shelter and support to hurricane victims or volunteered to help with on-the-ground recovery. Data from the Internal Revenue Service show that individual giving has increased on average since the early to mid-1990s and continues to increase in real terms in Kentucky. However, our generosity has waned relative to the nation, as charitable giving as a percent of the U.S. average fell from 89 percent in 1993 to 83 percent in 2004.

5.2

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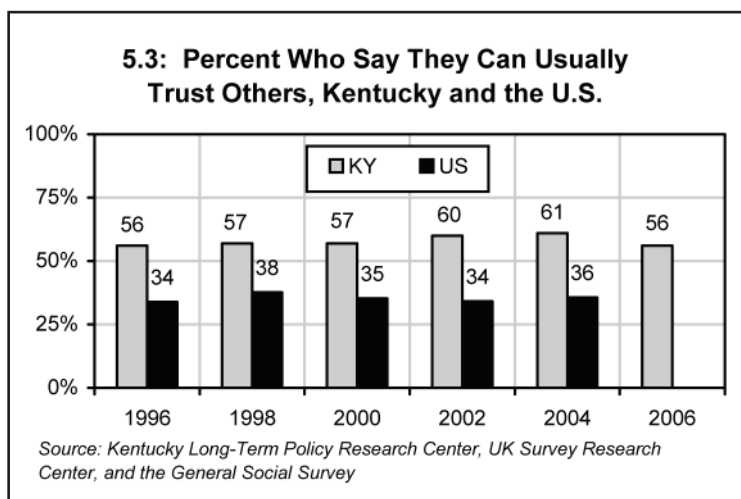


5.3

Trust

High levels of trust in a community help bind people together to work for the greater good in a host of ways. Trust has been called the lubricant that facilitates charitable acts, community development, and everyday commerce. When asked on our surveys, most Kentuckians, approximately 56 percent in 2006, said that you can usually trust people. By comparison, the percentage of Americans expressing this belief has been 20 to 25 percentage points lower going back to 1996. In 2004, the last year for which U.S. data are available, approximately 36 percent of U.S. adults said that, generally speaking, most people can be trusted compared to 61 percent of Kentuckians who expressed this belief in 2004.

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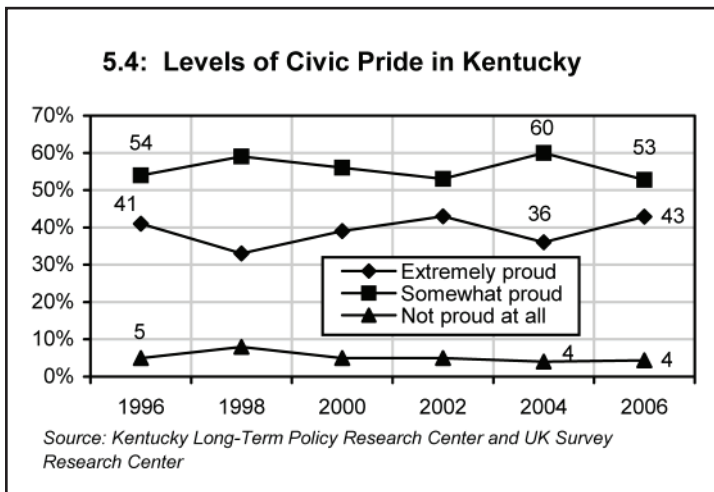


Community Pride

A sense of pride in the community where you live naturally strengthens your allegiance to it and, in turn, your willingness to give of yourself in the interest of its greater good. When home is indeed where the heart is, people are more likely to work cooperatively to improve and maintain the qualities that they value. Most Kentuckians take measurable pride in their communities. Approximately 43 percent said they were extremely proud and 53 percent said they were somewhat proud of their communities in 2006. The rest of the population, about 4 percent, expressed no pride at all in their communities—a typical percentage going back to 1996.

5.4

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6

Kentucky
communities
will value
and respect
all individuals
regardless
of culture,
race, ethnic
background,
religion, or
gender.

Public opinion about progress toward valuing and respecting all people has changed little. About the same percentage of people have consistently viewed the state as making progress. This goal, however, has gradually ascended in its overall progress ranking while falling in terms of importance, suggesting the perception of realization.

	1998	2000	2002	2004	2006
Making Progress	38%	40%	41%	40%	38%
Standing Still	41%	38%	41%	42%	41%
Losing Ground	21%	23%	18%	18%	21%

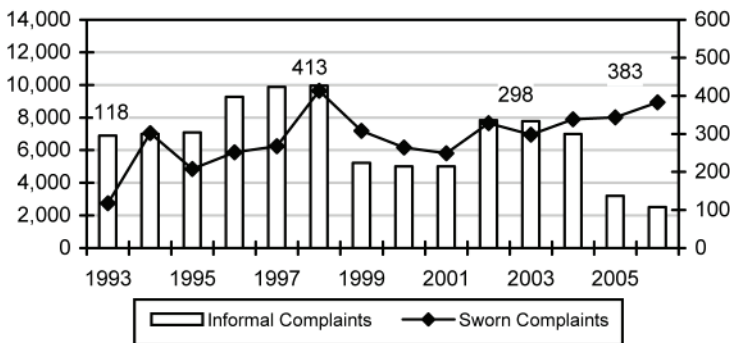
6.1

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Discrimination

Informal discrimination complaints, known as “intakes,” come to the Kentucky Commission on Human Rights by the thousands, though a relatively small number result in signed, sworn complaints that are filed and investigated each year. The Commission may determine that some complaints do not constitute discrimination, or some claimants may balk when they realize the process will demand time and resources they cannot afford. Though the sworn complaint rate has dropped considerably from its high of 413 in 1998, the past five years have seen a 42 percent increase, and the 2006 complaints numbered over three times the low reported in 1993, suggesting that both the incidences and, possibly, the targets of discrimination have increased. Countering this threat to community life will become increasingly important as immigrant communities and foreign investment continue to expand and create new firms, jobs, and opportunities. To resist diversity has become tantamount to denying the future, a posture that we can ill afford.

6.1: Informal and Sworn Complaints of Human Rights Violations, Kentucky, 1993-2006



Source: Kentucky Commission on Human Rights

Hate Crimes

A hate crime is an intolerable act defined as a punishable offense committed against a person, property, or society that is motivated in whole or in part by the offender's prejudice. Fortunately, these aberrant crimes are rare. While some hate crimes may go unreported, 20 or fewer incidents were reported per 1 million Kentuckians for the years 2000-2005. The number of such crimes reported here has consistently been below the rates reported for neighboring states Ohio and Tennessee, and just slightly above those for Indiana. Moreover, in 2005, the latest year for which data are available, the number of hate crimes reported per 1 million Kentuckians dropped to its lowest point over the six-year period.

6.2

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6.2: Reported Hate Crime Incidents, Kentucky and Selected Neighboring States, 2000-2005

(per million population)

	2000	2001	2002	2003	2004	2005
IN	17	12	13	8	10	9
KY	18	20	19	20	17	11
OH	21	32	23	20	31	15
TN	40	58	22	28	23	21

Source: KLTPrC analysis of data from the Federal Bureau of Investigation and US Census Bureau

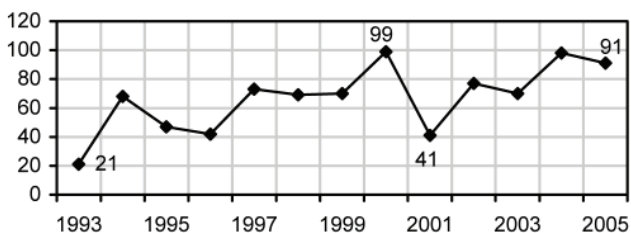
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Sex Discrimination

Though the number of sex discrimination complaints filed with the Kentucky Commission on Human Rights since 1993 has fluctuated dramatically, these complaints have recently risen. In 2005, 91 such complaints were filed, nearing the peak of 99 filed in 2000. Job losses, issues of pay equity, and unfair treatment during or after pregnancy were the main reasons behind complaints of sexual discrimination. In recent years, increased media attention and widespread workplace training have combined to make employees and employers far more aware of the nature and the potential ramifications of proven discrimination based on sex. Increased awareness may account for part of the increase in complaints filed, but cultural shifts likely play a role as well. Moreover, victims of discrimination are keenly aware that complaints they may make against fellow employees or supervisors could jeopardize their jobs and their financial well-being. Consequently, it is assumed that many legitimate claims of sexual discrimination go unreported.

**6.3: Sex Discrimination Complaints Filed
with the Kentucky Commission on
Human Rights, 1993-2005**



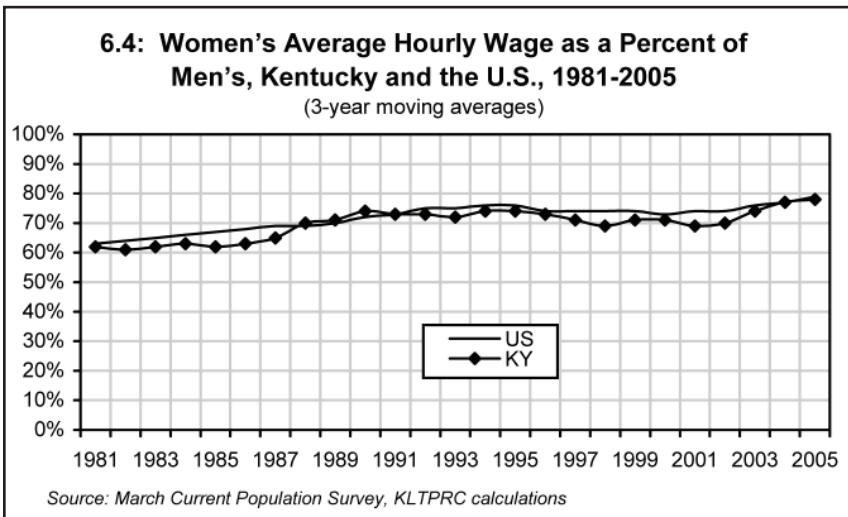
Source: Kentucky Commission on Human Rights

Gender Wage Ratio

Equity in earnings by gender has been an issue of national concern since women entered the labor force in record numbers more than three decades ago. Since that time, women’s earnings have risen slowly but significantly relative to men’s. As shown, the average hourly wage paid to a woman relative to the average paid a man has risen from 62 cents per \$1 here and 63 cents nationally in 1980 to 78 cents here and 79 cents nationally. The combined forces of the feminization of higher education, increasing rates of labor force participation, longer periods of engagement in the labor force, and the gradual movement of women into the ranks of highly paid professions are exerting upward pressure on the earnings of women. While illustrative, the “raw” gender wage ratio shown here does not take into consideration differences in experience, occupations, educational attainment, or absences from the workforce for caretaking.

6.4

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EDUCATION

7

Kentuckians
will have an
education
system of
lifelong
learning
that
exemplifies
excellence.

Since a 2002 peak, fewer Kentuckians see progress toward lifelong learning, a goal that profoundly influences all others. Progress still ranks highly at 6th, a marked improvement from 14th in 1998, but lags well behind the level of importance citizens assign to this goal, which has consistently ranked at or near the top.

	1998	2000	2002	2004	2006
Making Progress	43%	44%	49%	42%	41%
Standing Still	28%	31%	33%	38%	35%
Losing Ground	28%	25%	17%	20%	24%

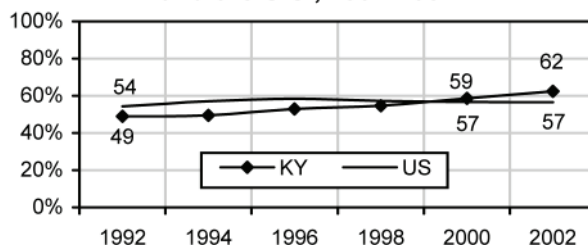
7.1

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College Enrollment

Any achievement requires a certain degree of forward momentum to overcome obstacles as they arise. The same holds true for educational attainment. Attending college directly after high school helps students maintain their educational momentum and avoid the pitfall of having an intended hiatus from studies become a life choice. Kentucky's teenagers have made immense progress in maintaining this high-school-to-college continuity after years of lagging behind the rest of the country's youth. In 2000, for the first time, the state's high school graduates surpassed the national average in college enrollment directly after high school, and the gap widened in 2002 to a 5 percentage point difference. Moreover, in the span of just 10 years, Kentucky's rank on this important measure catapulted from 40th to the top 10.

7.1: Percent of High School Graduates Enrolling in College Directly from High School, Kentucky and the U.S., 1992-2002



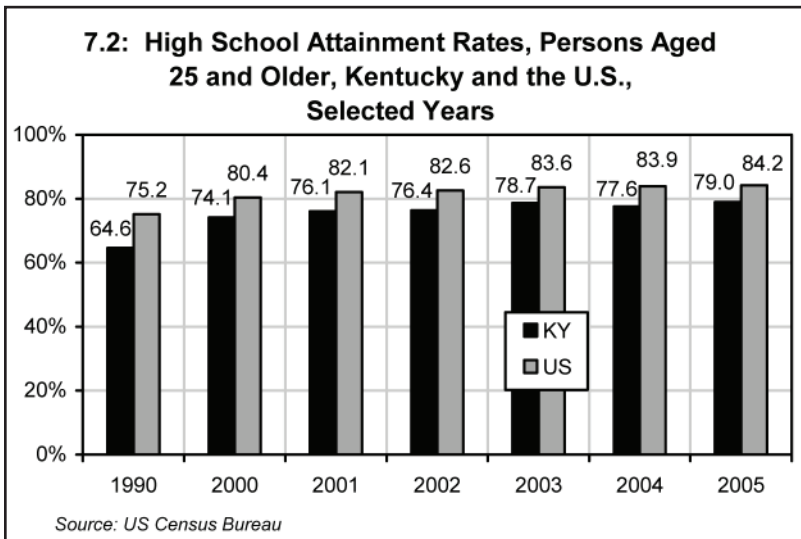
Source: The National Information Center for Higher Education Policymaking and Analysis

High School Attainment Rates

In today’s global labor market, the importance of a high school education cannot be overstated. Still, an estimated 21 percent of Kentuckians 25 years and older lack a high school diploma or GED. Kentucky has made great strides in closing the gap with the rest of the country since 1990, increasing from approximately 86 percent of the U.S. average in 1990 to 94 percent in 2005. However, the rest of the country has also been making progress in this area, growing 12 percent during the same time period. Studies have shown and experience confirms that those without a diploma face a distinct disadvantage in the job market. The added pressure of globalization has made it increasingly difficult to find low-skill jobs with competitive salaries and benefits that meet the needs of the average Kentuckian.

7.2

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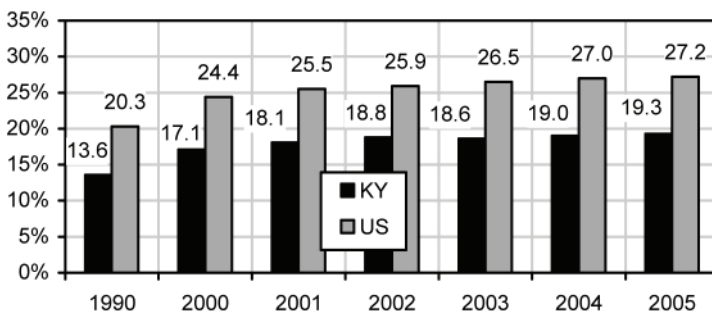
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College Attainment Rates

The educational attainment rates of a state strongly influence economic opportunities and outcomes. Studies have shown that those states with relatively higher per capita incomes and gross state products also tend to have higher proportions of adults with at least a college education. As Kentuckians look to the future, achieving higher levels of educational attainment among adults remains integral to overcoming the economic stagnation of recent years. Although the Commonwealth has made progress on this important indicator since a low of approximately 14 percent in 1990, the state currently ranks 48th out of the 50 states and Washington, D.C., in the percent of its population 25 years and older with at least a bachelor's degree. Further, Kentucky has made little progress in closing the gap in performance between the state and the rest of the country. In 1990, Kentucky stood at about 67 percent of the U.S. average; by 2005, it had only increased to 71 percent.

**7.3: Bachelor's Degree Attainment Rates,
Persons Aged 25 Years and Older, Kentucky
and the U.S., Selected Years**



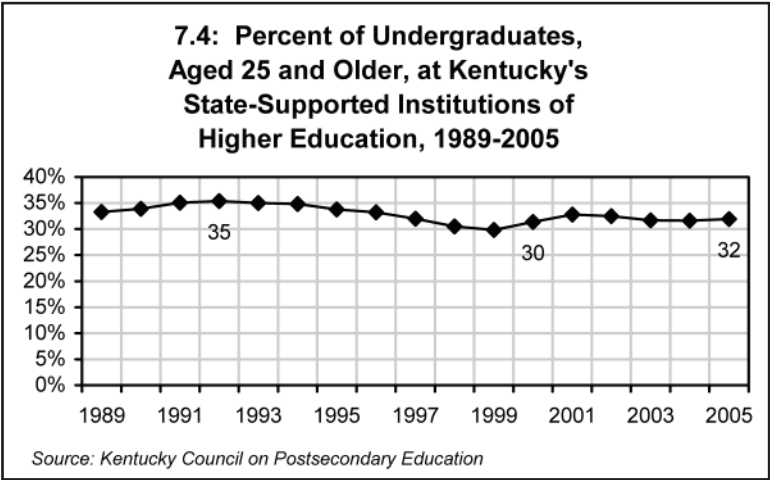
Source: US Census Bureau

Nontraditional Students

In view of Kentucky's history of below-average college attendance rates combined with the demands of today's workplace, the Council on Postsecondary Education has been working to foster lifelong learning by increasing the number of nontraditional students (aged 25 and older) in the state's colleges and universities. Though the number of nontraditional students as a percentage of the total has been stagnant and remains below the 1992 high of 35 percent, the number of such students has grown about 34 percent over the last 10 years. During this same period, the number of high school students attending college within a year of graduation improved dramatically as well, decreasing the number of individuals who otherwise might have gone on to become nontraditional students.

7.4

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8

Kentuckians
will have
equal
opportunity to
obtain
an
internationally
competitive
education.

A discernible decline is seen in the percentage of citizens who see the Commonwealth making progress toward providing equal opportunity for an internationally competitive education. Little change, however, is seen in the level of importance assigned to this goal, which ranked 12th in 2006. The perception of progress relative to other goals, however, has also declined somewhat.

	1998	2000	2002	2004	2006
Making Progress	41%	41%	45%	38%	35%
Standing Still	37%	36%	39%	42%	42%
Losing Ground	23%	24%	16%	21%	24%

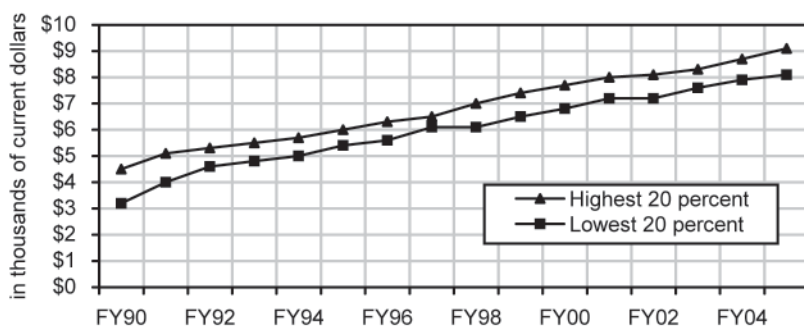
8.1

Funding Equity

Kentucky has made considerable progress in assuring equal opportunity for a high-quality education, regardless of economic status. While the level of funding is but one factor among many that contributes to a high-quality education, it is clearly an important one. In 1990, the average per pupil total revenue for the poorest fifth of Kentucky's school districts was approximately 70 percent of that for the wealthiest fifth. However, by 2005 the gap had narrowed considerably and now stands at 89 percent.

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8.1: Per Pupil Total Revenue in Poorest and Wealthiest School Districts in Kentucky, Fiscal Years 1990-2005



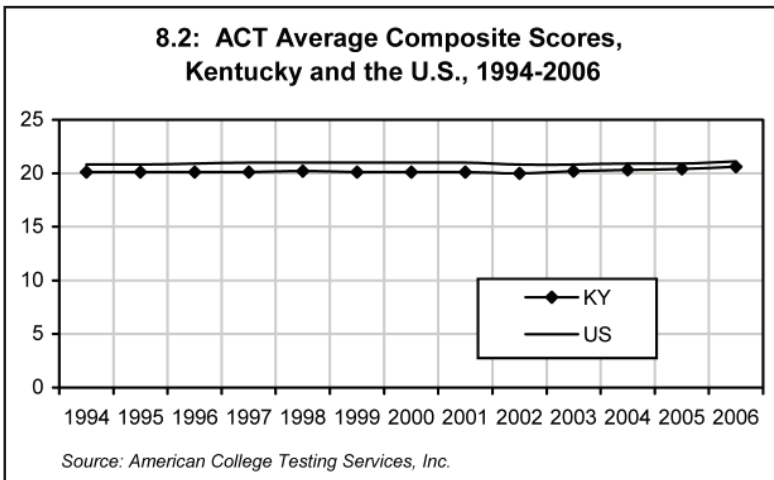
Source: KLTPRC analysis of data from Office of Education Accountability

Achievement Test Scores

The percentage of graduating high school seniors taking the ACT rose from 67 percent in 1998 to 76 percent in 2006. This is due, in part, to the fact that Kentucky's public institutions require the ACT rather than the SAT for entrance. However, the rising number of Kentuckians taking the ACT college entrance exam is also a sign that more high school students and adults are preparing for the possibility of continuing their education. The composite score for the state has also inched upward since 2000 after remaining virtually unchanged over the prior decade. The gap between national and state composite scores also narrowed to a 0.5-point difference. However, at the same time, according to ACT, most students are not prepared for college-level coursework. The percentages of Kentucky ACT-tested students ready for college-level coursework are relatively low and lag the nation for English composition (67 vs. 69), algebra (34 vs. 42), social science (50 vs. 53), biology (23 vs. 27), and all four courses combined (18 vs. 21).

8.2

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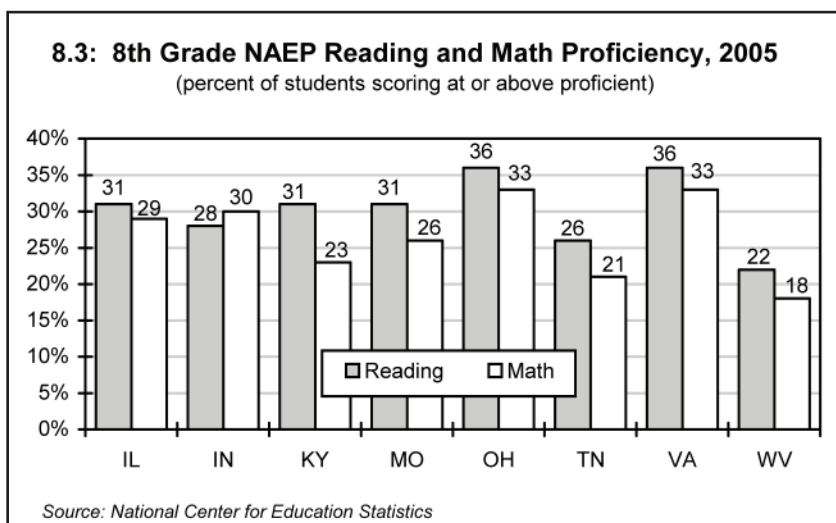


8.3

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Performance Test Scores

The National Assessment of Educational Progress (NAEP), commonly known as the “Nation’s Report Card,” gauges student progress in a variety of subject areas, including reading, mathematics, writing, and science. The NAEP state-level data are available for 4th and 8th graders. Here we present the 2005 results for 8th grade math and reading tests for Kentucky and neighboring states. The percentage of Kentucky 8th graders scoring at or above the proficient level for reading (31) exceeded the U.S. average (29), but Kentucky 8th graders fell far short of the U.S. average of 28 for math, with only 23 percent scoring at or above proficient. In comparison to neighboring states, Kentucky trails only Ohio and Virginia in reading attainment, but trails all these states, except Tennessee and West Virginia, in math attainment. Kentucky students have made steady progress on the various NAEP tests, but have not yet achieved regional or national parity on math scores.

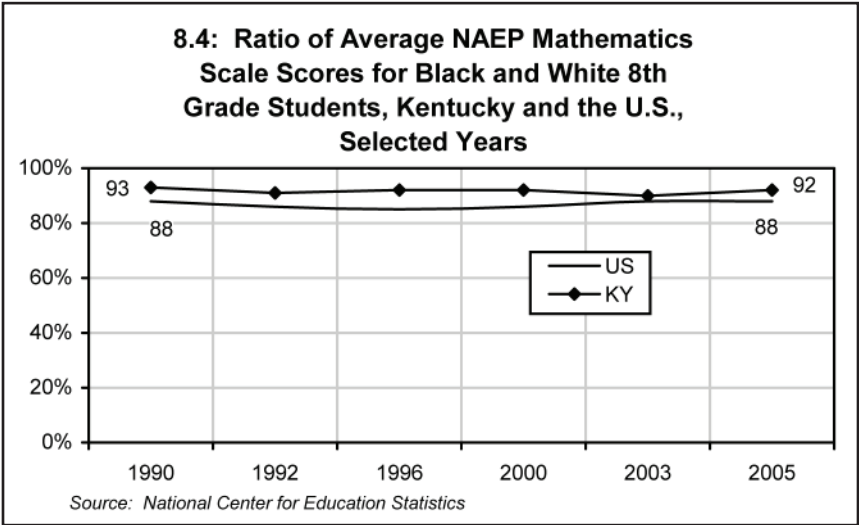


Educational Achievement Gap

Evidence consistently points to a disturbing and persistent trend: the average black child enters and exits the school system with lower test scores than the average white child. By eliminating the persistent gap in test scores, policymakers believe we will ultimately reduce the social and economic inequities that are often the root cause of underperformance. The ratio of the average scores on the 8th grade National Assessment of Educational Progress (NAEP) Mathematics Exam reveals that these gaps persist at both the state and national level. The Commonwealth, however, has outperformed the national average for the past decade and a half, but the gap has not budged at either level. While we have seen some movement in the ratio of scores here, the changes are not significantly different from year to year. This indicates that no real progress has been made in closing the achievement gap between black and white 8th grade students in the area of mathematics since 1990 at either the national level or in Kentucky.

8.4

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LONG-TERM POLICY
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9

Kentucky's
children
will
come
to school
ready
and
able to
learn.

While only 39 percent of Kentuckians say they see progress toward ensuring that children will enter school ready and able to learn, the overall ranking of progress on this goal relative to others has risen from 19th in 1998 to 9th in 2006. Its ranking in terms of importance also rose from a 2004 low of 16th to 11th overall.

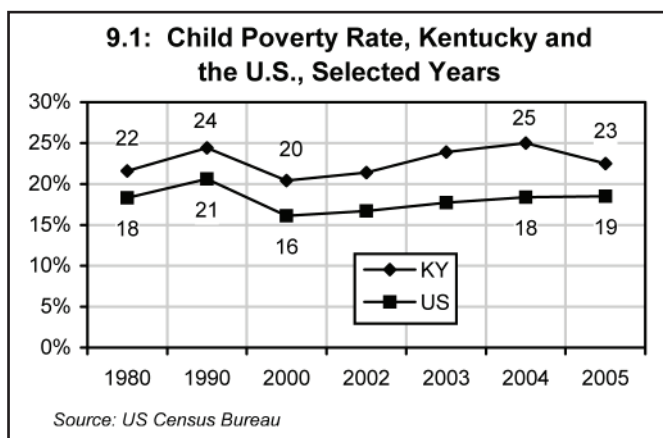
	1998	2000	2002	2004	2006
Making Progress	41%	41%	45%	38%	39%
Standing Still	37%	36%	39%	42%	39%
Losing Ground	23%	24%	16%	21%	22%

9.1

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Child Poverty

Child poverty and its disturbing implications for the future have long remained a vexing problem for Kentucky. Here we illustrate historical child poverty rates from past decennial censuses and more recent data from the U.S. Census Bureau's American Communities Survey. Rates are for children who live in households with incomes below 100 percent of the federal poverty level (FPL), a measure many argue is outdated in that it does not recognize subsidies to the very poor or, alternatively, the plight of children of the working poor. Some child advocates argue that the impact of poverty is far more extensive than the FPL suggests. Nevertheless, these data show that child poverty has escalated in recent years to levels on par with 1990 rates, which marked a reversal in a trend of decline on this measure. Moreover, these data show a widening state-national gap until a welcome decline in 2005. Both here and nationally, children typically represent about a third of those living in poverty.



Youth Alcohol and Drug Abuse

Risky youth behavior ranges widely, including failures to exercise good judgment about personal safety, diet, sex, violence, and drugs. Here, we examine trends in two of many youth risk behaviors now measured by the Centers for Disease Control and Prevention (CDC). As shown, episodic heavy drinking among male high school students has continued to decline here, and a welcome sharp decline of 9 percentage points was registered among female high school students in 2005. Rates for episodic alcohol abuse among both male and female youth were virtually the same here as nationally in 2005, according to the CDC. The percentage of Kentucky youth who reported using marijuana one or more times in the past month also declined for both males and females, markedly for females. Here, Kentucky youth used marijuana at lower rates than females (18 percent) and males (22 percent) at the national level.

9.2

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9.2: Percent of Kentucky High School Students* Who Abused Alcohol or Used Marijuana in Past 30 Days, Selected Years**

Year	Alcohol Abuse**		Marijuana Use***	
	Male	Female	Male	Female
1993	41	27	19	11
1997	43	30	34	23
1999	40	34	26	22
2001	40	31	30	22
2003	33	32	22	20
2005	27	23	18	13

* Grades 9-12

** Had five or more drinks of alcohol in a row on one or more days

*** Used marijuana one or more times

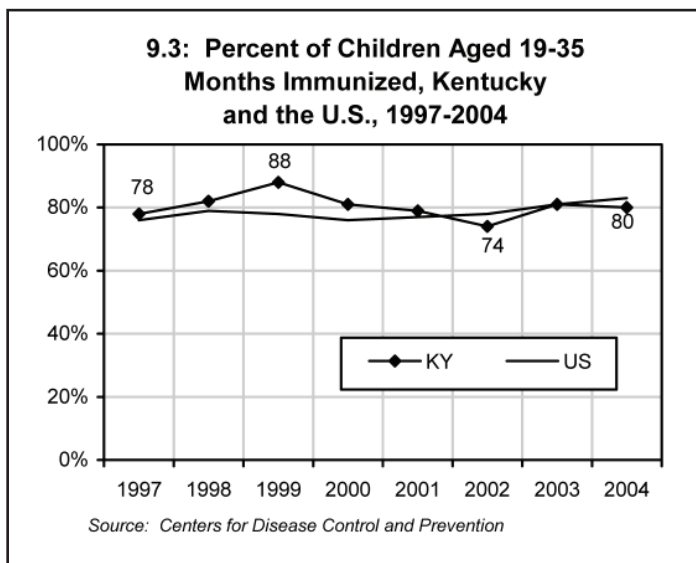
Source: Kentucky Youth Risk Behavior Survey and Centers for Disease Control and Prevention

9.3

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Child Immunizations

As these data from the Centers for Disease Control and Prevention's report, *Health, United States, 2005*, show, Kentucky's performance on immunizing its children, once a benchmark of national excellence, now lags the national average, according to findings from the National Immunization Survey (NIS). Since 1999, when an estimated 88 percent of children aged 19 to 35 months old had received the recommended series of vaccinations for communicable and life-threatening illnesses such as polio, measles, and influenza, the state's performance in this critical arena has fallen well short of its earlier success. Rates for this age group rose in 2003 but barely surpassed the national average. By 2004, the most recent year for which these NIS data are available, Kentucky's immunization rate among 19-to-35-month-old children had fallen to 80 percent, below the national average of 83 percent. While the state has gained considerable ground since its low of 74 percent in 2002, it has much work to do on this key benchmark of child well-being.

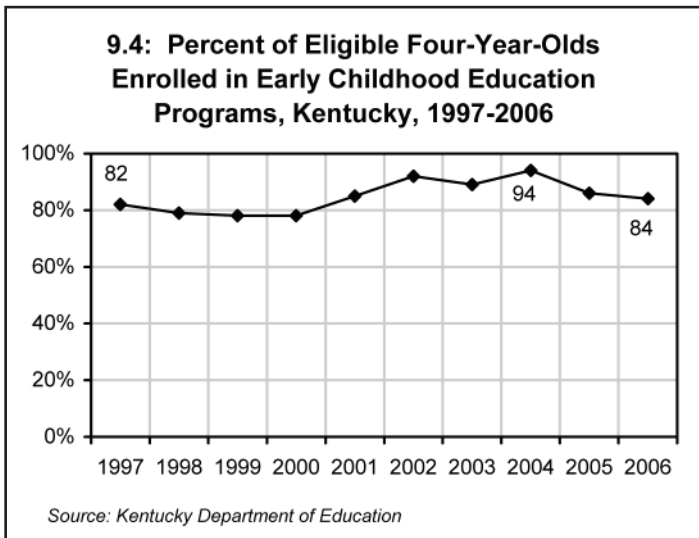


Early Childhood Education

Over the past 16 years, Kentucky has made great strides in providing prekindergarten programs for children from at-risk households or with learning or developmental problems. Participation rates reflect those children served through the state-funded preschool program and federally funded Head Start, programs with comparable operational standards that frequently blend or jointly operate services. Peak participation was seen in 2003-04 when 94 percent of eligible 3- and 4-year-olds participated in these programs. In the past two school years, however, participation of eligible children as reflected in available data has declined sharply. Analysts with KDE attribute the decline to a number of possible factors, including the difficulty for working parents who need full-day/full-year early care and education settings. Moreover, a growing awareness of the quality ratings of child care facilities, the cost of which is subsidized for some working families, effectively creates incentives to opt for all-day, high-quality care.

9.4

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10

Kentucky's
children
will
have
safe,
stable
learning
environments.

Our surveys show a decided drift toward positive public assessments of the progress made in creating safe, stable learning environments in Kentucky schools. Having gradually moved into the highest ranking on progress, Goal 10's ranking in regard to importance has waned somewhat over the years.

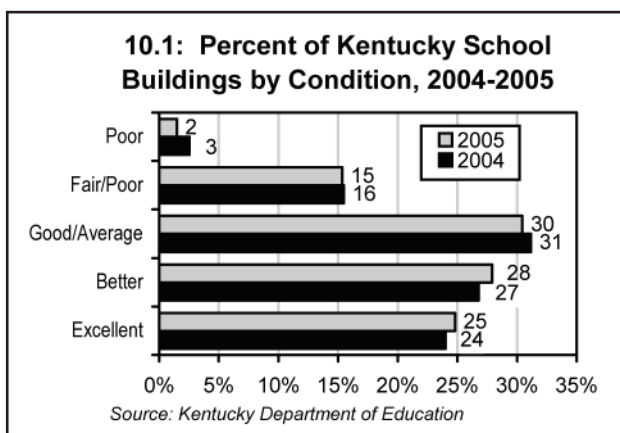
	1998	2000	2002	2004	2006
Making Progress	32%	35%	51%	47%	49%
Standing Still	28%	31%	32%	38%	37%
Losing Ground	40%	34%	17%	15%	15%

10.1

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Condition of School Buildings

Safe learning environments by definition must include the condition of the buildings where children are taught. The Kentucky Division of Facilities Management annually assesses the quality of all public school buildings in the state. In 2005, the assessment of the condition of school buildings improved in every category over that of 2004, and more than half of the state's school buildings were rated in excellent or better-than-average condition. In general, schools in these two categories are no more than 20 years old. At the same time, 30 percent of these structures were rated as being in only good or average condition (20-30 years old), and another 15 percent of the state's school buildings were rated as being in fair or poor condition (30-40 years old and needing renovation). Those assessed as being in poor condition (older than 40 years old) represent 18 of a total 1,193 school buildings in the Commonwealth.



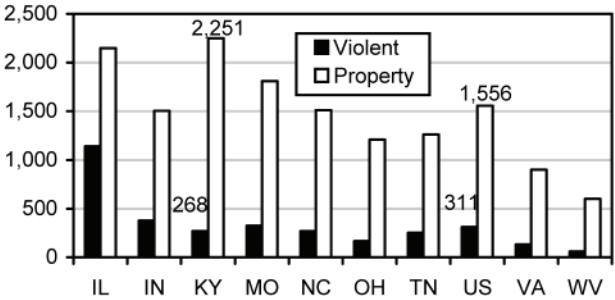
Juvenile Crime

Violent crimes pose perhaps the greatest threat to community well-being, but when committed by juveniles, children and the places they frequent are threatened. Schools are of special concern. Serious crimes such as murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault pose physical and psychological threats that must be countered. In Kentucky, the ratio of juvenile arrests for violent crimes to the population remained well below the U.S. average and that of half the surrounding states in 2004, indicating that our schools are relatively safe environments. However, the ratio of juvenile arrests to the population for crimes against property, such as burglary, larceny-theft, and motor vehicle theft, was higher than that in every state surrounding the Commonwealth and one and one half times the national rate. Clearly, addressing the root causes of these juvenile crimes is a critical challenge before the state, one that affects school and public safety.

10.2

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10.2: Juvenile Arrests for Kentucky, U.S., and Selected States, 2004
(rate per 100,000 population)



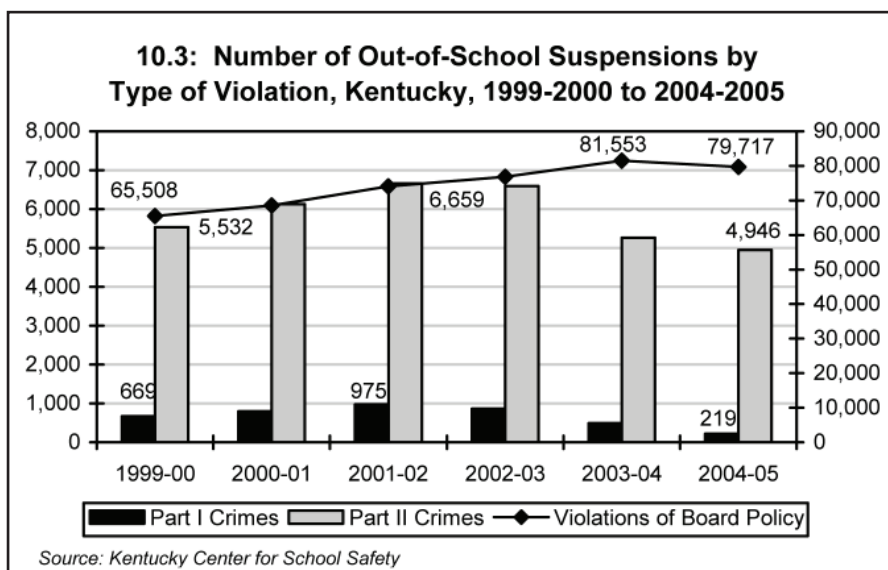
Source: Federal Bureau of Investigation

10.3

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School Suspensions

Overall, fewer than 8 percent of Kentucky's public school students commit a law or board policy violation that results in a reportable disciplinary action. After steady increases in suspensions related to each type of violation shown here, the trend has reversed. The number of out-of-school suspensions due to the more serious, and often violent, Part I crimes, as well as those due to the less serious Part II crimes, peaked in 2001-2002. The number of suspensions due to violations of school board policy peaked in 2003-2004. The total number of out-of-school suspensions for both Part I and Part II violations of the law in the 2004-2005 school year is now less than the previous low in 1999-2000. This trend may be attributable in part to an increasing emphasis on discipline and the adoption of stricter school board policies, but this latest downturn is very positive.

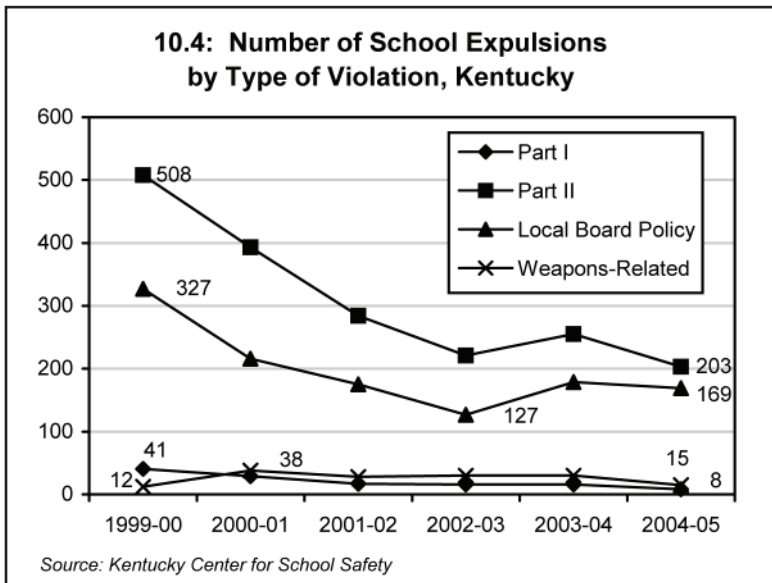


Expulsions from School

Schools usually expel students only in response to violations that threaten school safety. Expulsions that result from violations of school board policy have taken a slight upturn over the last two school years for which data are available. Even so, the number of such violations has declined to half of where it stood just five years earlier. Other than weapons-related violations, expulsions that result from violations of the law have generally declined over the past six school years, with only a slight increase in Part II violations in 2003-2004. But by the 2004-2005 school year, even that indicator had reached a new low, and the number of expulsions due to Part I violations was one fifth the number from the 1999-2000 school year. While the presence of weapons in schools at any level remains a critical school safety concern, by 2004-2005 the number of weapons-related incidents had declined to less than half the 2000-2001 school year high.

10.4

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11

Kentuckians
will promote
partnerships
among parents,
schools, and
communities
to enhance
the social
and academic
development of
children.

Assessments of our progress in promoting partnerships to advance academic achievement have remained relatively high over the years and ranked in the top five for progress throughout this survey's history. In 2006, however, the ranking of educational partnerships in regard to importance plummeted to 22nd, possibly the consequence of perceived progress.

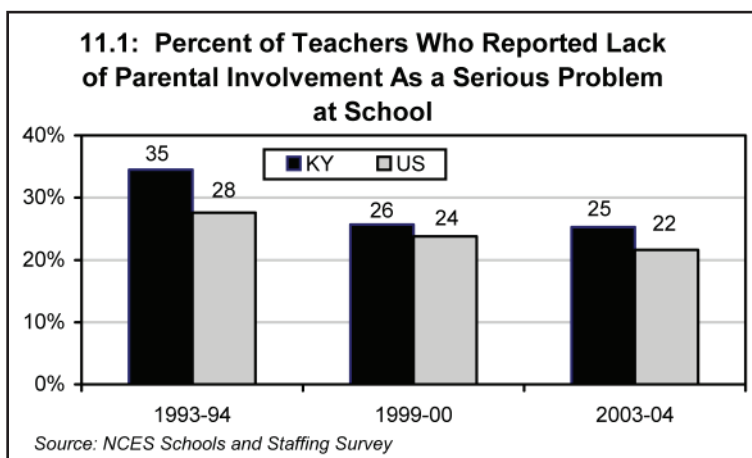
	1998	2000	2002	2004	2006
Making Progress	52%	45%	51%	44%	46%
Standing Still	30%	34%	35%	41%	40%
Losing Ground	18%	20%	14%	15%	14%

11.1

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Parent Involvement at Schools

The U.S. Department of Education asks teachers in its periodic Schools and Staffing Survey whether the lack of parental involvement is a serious problem at their school. For the 2003-04 school year, one quarter (25 percent) of Kentucky teachers said that lack of parental involvement is a serious problem at their school—compared to 22 percent nationally. Ten years ago more than a third (35 percent) of Kentucky teachers indicated it was a serious problem. That parent involvement improves student achievement is practically irrefutable. A 2002 report from the Southwest Educational Development Laboratory notes that “students with involved parents, no matter what their income or background, were more likely to earn higher grades and test scores, and enroll in higher-level programs; be promoted, pass their classes, and earn credits; attend school regularly; have better social skills, show improved behavior, and adapt well to school; and graduate and go on to postsecondary education.”

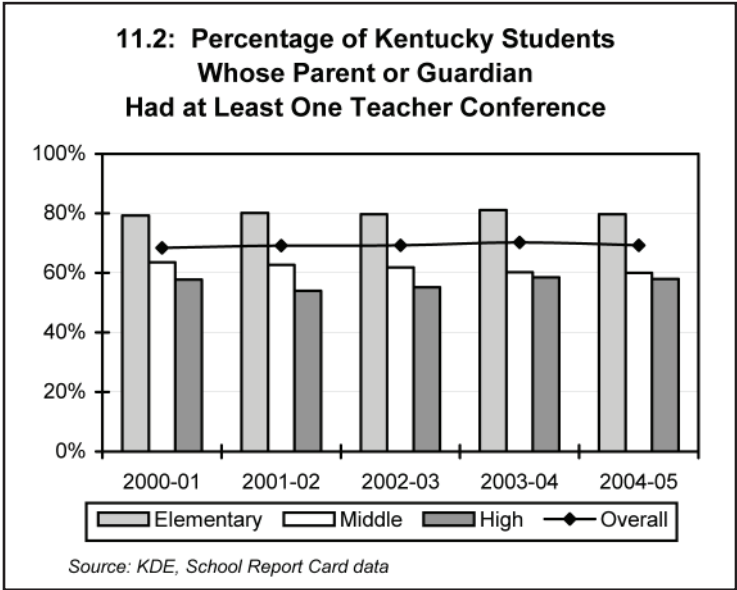


Parent-Teacher Conferences

The parent-teacher conference represents the most obvious and perhaps the most important way parents can participate in their children’s education. Research shows that involved parents and teachers can help students overcome many obstacles and achieve high levels of academic success. Yet a significant percentage of parents do not participate in this time-honored tradition of parental engagement. On average, about 70 percent of the parents or guardians of Kentucky students had at least one teacher conference during the academic year. The percentage is higher for the parents of elementary students (80 percent) but lower for the parents of middle and high school students (about 60 percent). The lack of positive change in this trend between 2000 and 2005 suggests that more could be done to encourage parental involvement.

11.2

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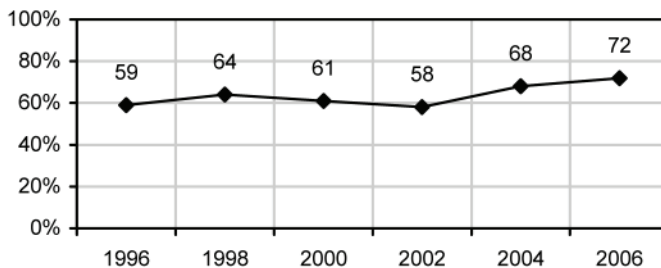
11.3

Parent Volunteerism

Volunteering for school-related activities is another way in which parents can play an active role in their children's education. Survey data from the last several years show that more than half of parents of school children in Kentucky report volunteering for school-related activities, with an estimated 72 percent volunteering in 2006, a marked improvement over the 59 percent who reported doing so in 1996.

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11.3: Percent of Kentucky Parents Who Reported Volunteering for School-Related Activities During Past Year



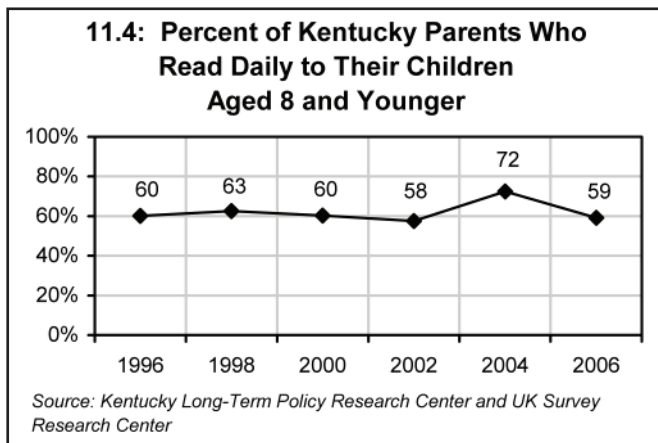
Source: Kentucky Long-Term Policy Research Center and UK Survey Research Center

Parents Who Read to Their Children

Reading to young children is vitally important for their intellectual development. Research shows that children whose parents read to them become better readers and do better in school. Nationally, 58 percent of children three to five years old were read to daily by a family member in 2001, with the percentage fluctuating between 53 and 58 percent since 1993. The percentage of Kentucky parents who read to their children eight and younger has been, more or less, in this range of values from 1996 to 2006. The percentage spiked upward in 2004 to 72 percent, but by 2006 declined to a percentage more consistent with earlier values. In 2006, an estimated 97 percent of Kentucky parents said that they read to their children, with 59 percent doing so nearly every day.

11.4

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12

Kentuckians
will have
opportunities
to appreciate,
participate
in, and
contribute to
the arts and
humanities
and historic
preservation.

Consistently, a substantial portion of Kentuckians see progress in the availability of arts opportunities in Kentucky. Relative to others, this goal has ranked at or near the top in regard to progress and at the bottom in terms of importance until 2006. Again, the relative importance assigned to this goal is a likely product of the perception of progress made.

	1998	2000	2002	2004	2006
Making Progress	47%	48%	55%	47%	45%
Standing Still	40%	38%	36%	39%	42%
Losing Ground	13%	13%	10%	14%	13%

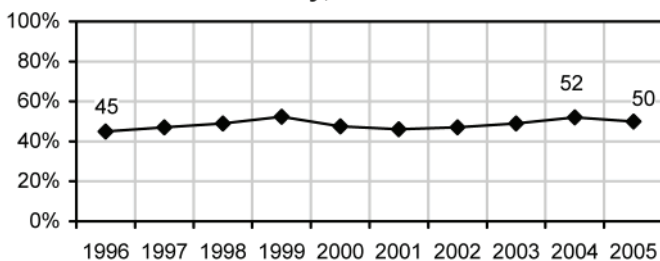
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Library Use

Many public libraries across our state have become dynamic cultural and learning centers where the public has free access to arts, entertainment, and educational materials in a range of mediums. From storytelling for children to recent films, CDs, and, of course, books, to ready access to computers, meeting rooms, and access to a multistate collection of resources available on loan, libraries have changed with the times. Statewide, per capita revenue and expenditures on staff, collections, and continuing education vary dramatically. In turn, rates of attendance, book circulation, and computer availability tend to correlate with levels of investment in these resources. The number of registered borrowers at public libraries continues to grow with the population, even as the percent of the population has declined slightly. Attendance at children's library programs reached nearly 1 million in 2005, indicating that the next generation of Kentuckians is being introduced to the vast cultural riches that lie within the walls of public libraries.

**12.1: Percent of Population Registered
as Borrowers at Public Libraries,
Kentucky, 1996-2005**



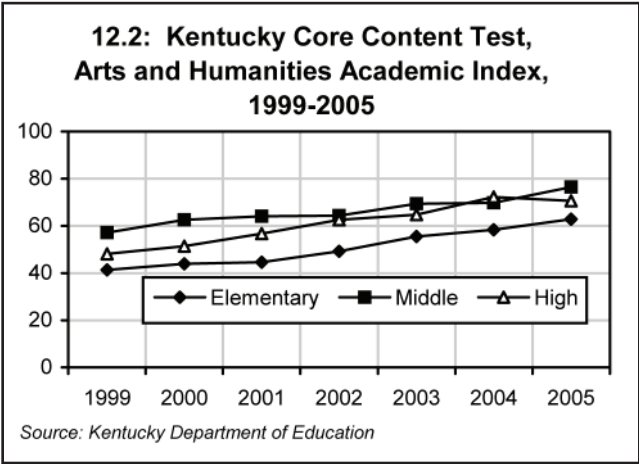
Source: Statistical Report of Kentucky's Public Libraries, 2004-2005

Academic Performance in Arts and Humanities

The Kentucky Department of Education’s academic core content testing provides a measure of progress in the instruction and comprehension of arts and humanities in our public schools. As shown, progress has been steady among Kentucky students since 1999 when the CATS tests were revised, with middle school students achieving the highest index score. When compared with the national norm referenced test index, the CTBS/5 Survey, however, the performance gap for Kentucky’s elementary school students has narrowed only slightly (3.3 percent) since 1999, as national performance rose. For middle and high school students, however, this performance gap has closed significantly, from 17.9 percent in 1999 to 6.8 in 2005 and 22.6 to 8.6, respectively. During the same time period, Kentucky students at all grade levels performing in the proficient or distinguished category rose from 13.5 percent in 1999 to 32.2 in 2005, a pace of improvement that bodes well for future appreciation, understanding, and achievement in the arts and humanities.

12.2

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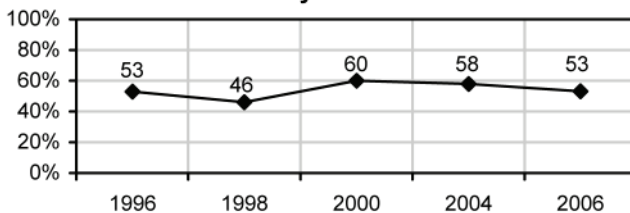
12.3

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Cultural Opportunities

Opportunities to experience the riches of Kentucky's cultural past or the immediacy of an arts performance or a festival are abundant and far-reaching. What's more, citizens of the Commonwealth are working to preserve our heritage, and help economic development efforts in the process, by seeking official designation of historic sites and raising funds to restore, preserve, and maintain them for generations to come. Likewise, active arts communities across the Commonwealth have brought innumerable community theaters, festivals, musical series, and other arts events to life and made them part of their local landscapes. Our data show that the percentage of Kentuckians who have taken advantage of these "homegrown" cultural opportunities has waxed and waned somewhat over the past decade. Overall, slightly more than half (53 percent) of Kentuckians seized a cultural opportunity in their very own backyards in 2006.

12.3: Percent of Adult Kentuckians Who Visited a Museum, Festival, Arts Performance, or Historical Site in Their County in Last 12 Months



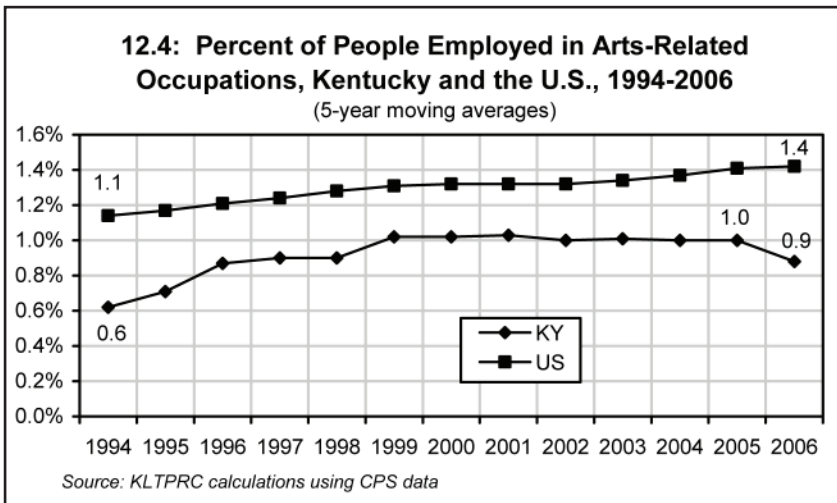
Source: Kentucky Long-Term Policy Research Center and UK Survey Research Center

Arts Occupations

The arts compel us to see the world differently, think in new and different ways, and plumb depths that might otherwise remain elusive to us. Increasingly, however, we're reminded that the arts play a vital and growing economic role in society. From the performers at center stage to the technicians that bring a performance to life, many find employment in arts and arts-related occupations. Kentucky lags the national average for the percent of employed people who are in arts-related occupations. This is not surprising given the concentration of the arts in major urban centers that are well-known for the contributions they make. However, until recent years, this estimate was increasing, suggesting a growing role for the arts in the livelihoods of Kentuckians, as well as the vitality of the Commonwealth.

12.4

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ECONOMY

13

Kentucky
will end
poverty
and
alleviate
its adverse
consequences
and
debilitating
effects.

Citizen assessments of our progress toward ending poverty and its ill effects have consistently remained among the lowest. Only 12 percent of citizens said we are making progress in 2006. This goal's ranking in importance, in contrast, is again ascending to the top tier of goals, even as it descends further in the ranking of progress, moving from a low of 21st in 1998 to 25th in 2006.

	1998	2000	2002	2004	2006
Making Progress	18%	20%	18%	11%	12%
Standing Still	43%	48%	52%	46%	44%
Losing Ground	39%	33%	31%	44%	44%

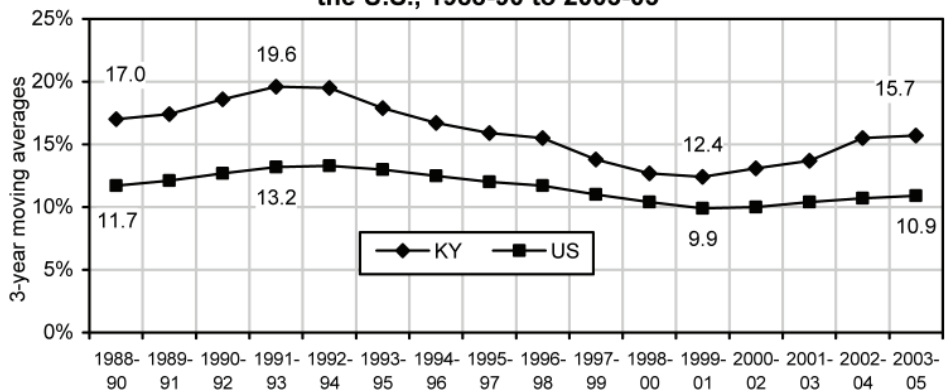
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Poverty Rate

The breadth of poverty arguably remains the most telling indicator of economic well-being. Since this benchmark was established in the mid-1960s, the portion of Kentuckians who live in poverty has declined substantially. At the same time, the once substantial gap between poverty in our state and the nation as a whole has narrowed considerably. Our first measure of poverty, the 1970 decennial census, found 22.9 percent of Kentuckians living in poverty compared with 13.7 percent nationally. While little change occurred over the course of three decades at the national level where poverty declined by only 2.8 percentage points, Kentucky's poverty rate fell 7.2 percentage points. Here, we show the progress of poverty rates in Kentucky relative to the national average over the past decade. Poverty rates here nearly merged with national rates over the course of the past decade and into the early 2000s. By any measure, however, poverty and its costly consequences remain with us, as 15.7 percent of Kentuckians, nearly a third of whom are children, continue to live in poverty.

13.1: Poverty Rates, Kentucky and the U.S., 1988-90 to 2003-05



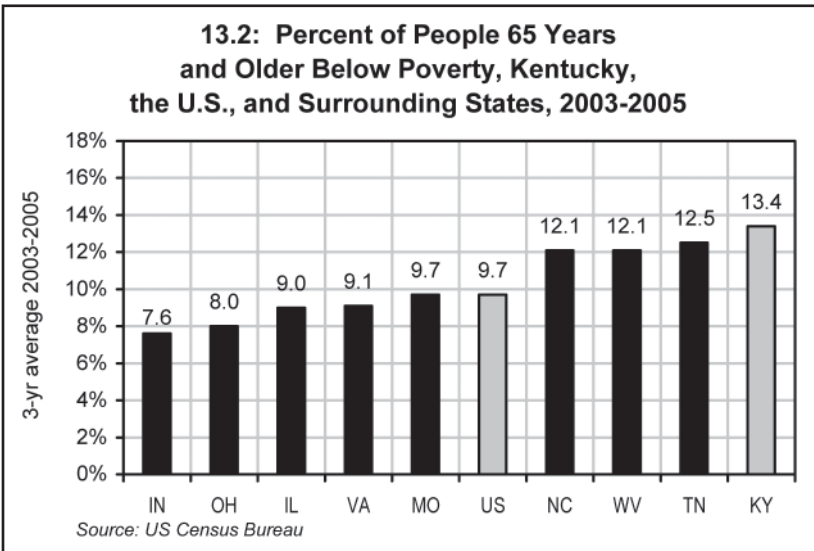
Source: US Census Bureau

Poverty Among Elders

Since 2004, poverty has deepened in Kentucky by statistically significant margins. These three-year moving averages show that Kentucky's elder poverty rate exceeds the national average as well as rates in all surrounding states. Moreover, by 2005, Kentucky had the nation's fifth highest elder poverty rate. While elder poverty relative to the nation and other states has worsened here, it has declined substantially over time, falling from 23 percent in 1980 to 13.4 percent in 2005 when Kentuckians 65 years and older comprised 12.2 percent of the state's population. Today, rising out-of-pocket costs for health care, housing, utilities, transportation, and other basic necessities are cutting more deeply into incomes that erode with increased longevity and diminishing or disappearing pension and health care benefits. As we approach one of the nation's most significant demographic shifts—the aging of Baby Boomers, our largest population cohort in history—these data suggest that the well-being of one of our most vulnerable populations compels renewed attention.

13.2

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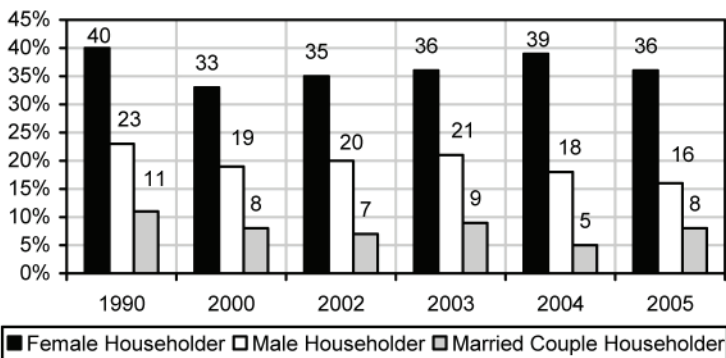
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Family Poverty by Family Type

Female-headed households remain a strong predictor of family poverty. While economic progress was made among these families during the prosperous late 1990s, their economic fortunes declined after the economic downturn of 2000. The poverty rate for families headed by a female fell from 40 percent in 1990 to 33 percent in 2000, but rose to 36 percent in 2005. By comparison, families with a single male householder fared well over the entire period, declining from 23 percent in poverty in 1990 to 16 percent in 2005. Married couple families in Kentucky saw relatively little change in poverty status over this time period. Among the many factors contributing to the discrepancy between single female householders and other family types are the concentration of women in low-wage jobs, lost years of employment due to childbearing and child rearing, disproportionate caretaking responsibilities, lingering discrimination, and, in their senior years, lower or nonexistent work-related benefits.

13.3: Poverty by Family Type, Kentucky, Selected Years



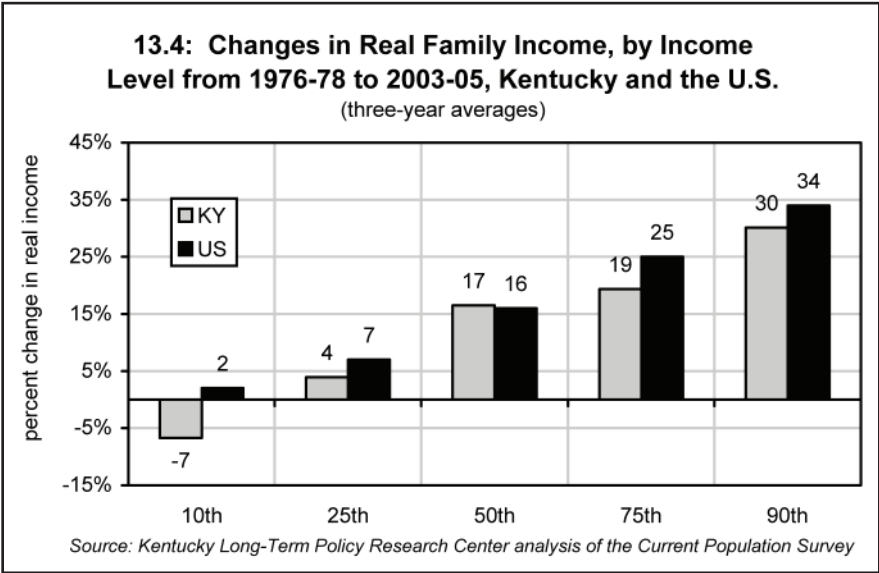
Source: US Census Bureau

Income Distribution

Most economists agree that income inequality has been growing, but frequently disagree on whether the main cause is declining unionization, growing immigration and globalization, outsourcing, increasing returns to high-level skills, automation, changes in executive compensation, a lack of change in the minimum wage, or localized high-tech growth. To be sure, these long-term changes in the economy have contributed to growing disparity in family income and made it increasingly difficult for those at the lower income levels to get ahead financially. For the 30-year period from the late 1970s to the present, real income—that is, factoring out the effect of inflation—actually declined for Kentucky families at the 10th percentile by 7 percent. Meanwhile, at the other end of the income spectrum, Kentucky families at the 90th percentile experienced an increase of 30 percent.

13.4

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14

Kentucky will have diversified long-term development that stresses competitiveness and a rising standard of living for all citizens while maintaining a quality environment.

Public opinion on progress toward broadly beneficial development has plunged, as fewer Kentuckians see our state making progress. Likewise, its overall progress ranking is down from 15th in 1998 to 21st in 2006. The ranked importance of this key goal has remained more consistent, falling only slightly in 2006 to 10th overall.

	1998	2000	2002	2004	2006
Making Progress	36%	31%	32%	22%	23%
Standing Still	40%	45%	50%	51%	49%
Losing Ground	23%	25%	18%	27%	28%

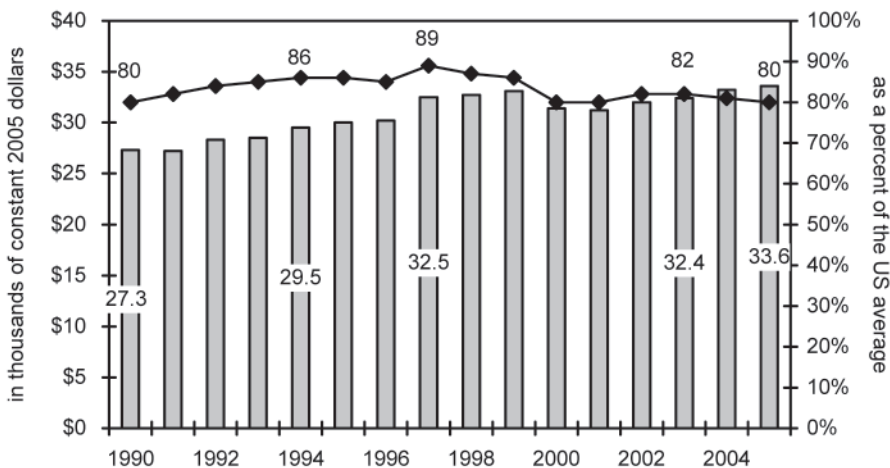
14.1

Gross State Product

An estimation of the total dollar value of all final goods and services produced in a state, gross state product (GSP), like its national counterpart, is indicative of economic health and prosperity—the byproducts of strong business activity. Although GSP in Kentucky has experienced moderate growth in the last 15 years, the status relative to the national average has remained relatively unchanged. Despite its climb from 80 percent in 1990 to 89 percent in 1997, the Commonwealth's GSP has since dropped back to its original pre-1990s position of 80 percent of the U.S. average.

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14.1: Per Capita Gross State Product, Kentucky, 1990-2005



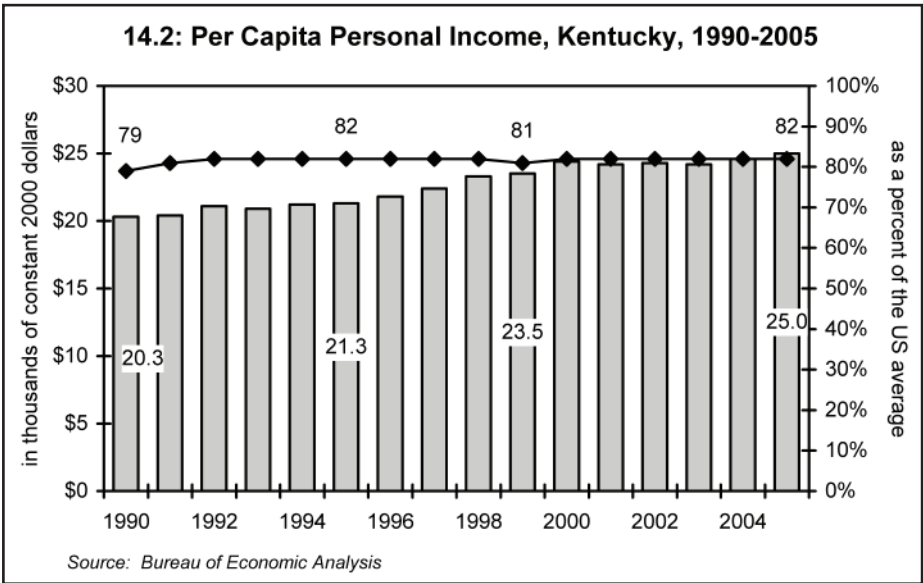
Source: Bureau of Economic Analysis

Income

Per capita income is widely regarded as the optimum measure of prosperity and well-being; it is indicative of both labor market conditions and the average standard of living. In 2005, Kentucky ranked 43rd in the nation, a gain in position from a ranking of 45th in 2004. Nevertheless, the state ranked among the 10 states with the lowest per capita incomes in the nation. By this measure, Kentucky made only modest gains on the national average over the past 15 years, principally in the latter half of the 1990s. Since the year 2000, per capita income has held steady at 82 percent of the U.S. average. While caveats suggest that the quality of life lower incomes afford in Kentucky may yield a higher standard of living than per capita income suggests, these data indicate that prosperity and economic opportunity remain elusive for many Kentuckians.

14.2

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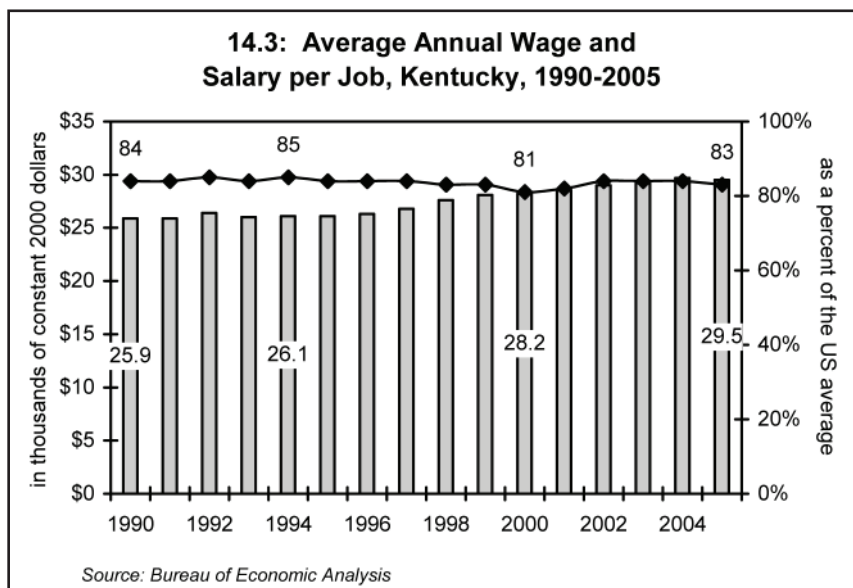


14.3

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Wages

Since 1990, the average yearly wage in Kentucky as a percent of the U.S. average has remained relatively unchanged. Although real wages have risen since that time, Kentucky has made no improvement in its standing relative to the nation. In 1990, Kentucky's average wage was approximately 84 percent of the U.S. average, compared with 83 percent in 2005. As globalization exerts competitive pressures, companies continue to lower operating costs by moving operations to lower-cost offshore locations. As a consequence, workers with less education and fewer skills are increasingly relegated to occupational categories that offer limited opportunity for wage growth. Clearly, the long-term solution to this problem includes continued improvement of Kentucky's educational system, rising educational attainment, systematic efforts to attract high-skills business and industry that employ more educated workers, and a corresponding decline in our reliance on low-skill jobs.

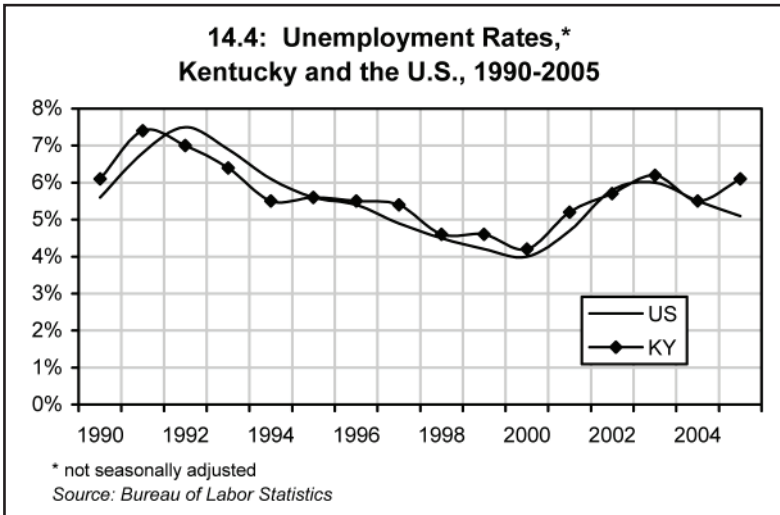


Unemployment Rates

In general, unemployment rates in Kentucky have followed national trends, rising and falling with changes in the larger economy. Since 2000, both national and state unemployment rates have risen, from a low of 4.2 percent here and 4.0 percent nationally to a peak of 6.2 percent and 6.0 percent, respectively, in 2003. By 2005, Kentucky's unemployment rate again reached its highest point (6.4 percent) since 1994 when the state and nation were lifting out of a recession. By 2005, Kentucky's unemployment rate was a full percentage point higher than the national rate.

14.4

KENTUCKY
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15
Kentucky
will
benefit
from
participation
in an
integrated
global
economy.

Since 1998 when citizens saw beneficial participation in the global economy as the goal Kentucky had most progressed toward realizing, the portion of those who see progress has dropped by 20 percentage points. Nevertheless, the goal's ranking on progress moved from 15th in 2004 to 7th. It remains near the bottom in ranked importance.

	1998	2000	2002	2004	2006
Making Progress	57%	45%	45%	34%	37%
Standing Still	27%	37%	40%	46%	43%
Losing Ground	16%	19%	15%	20%	19%

15.1

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Scientific Research and Development Services

Innovation driven by scientific research and development, the means by which cutting-edge products and processes are developed for the world market, is widely regarded as key to prospering in a globalized economy. Compared to the surrounding states and the nation as a whole, Kentucky fares poorly in terms of the proportion of firms dedicated to scientific research and development. From 1997 to 2002, however, this proportion increased 83 percent, and the state reached a virtual tie with Indiana and West Virginia. Nonetheless, Kentucky still ranks last among this group of states and falls significantly short of the leaders, Virginia and North Carolina. Increasing Kentucky's share of firms committed to research and development, either by attracting outside companies or—better still—fostering the creation of new entities from within, will help ensure a competitive future in the global economy.

15.1: Number of Scientific Research and Development Firms per 1,000 Firms, 1997 and 2002

	1997	2002
VA	3.03	3.71
NC	1.57	2.35
US	1.74	2.27
OH	1.31	1.81
IL	1.07	1.49
MO	1.00	1.35
TN	0.95	1.15
WV	0.82	1.10
IN	0.72	1.07
KY	0.58	1.06

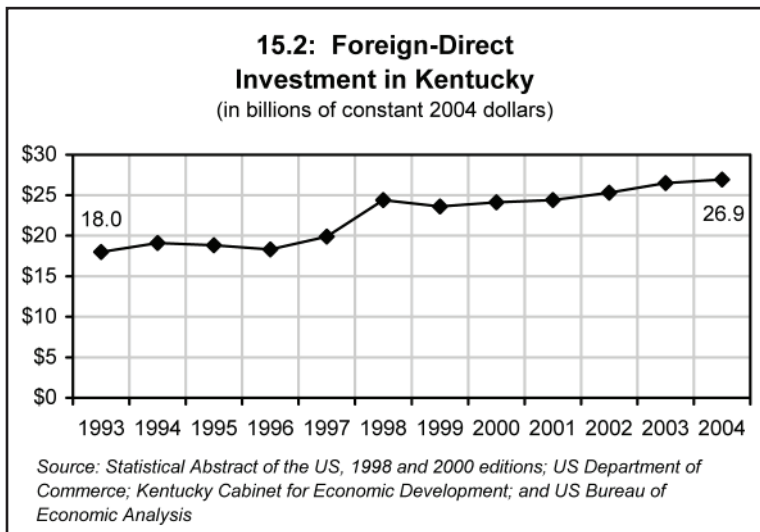
Source: KLTPRC analysis of data from the US Census Bureau

Foreign-Direct Investment

While Kentucky possesses a wealth of resources, its economy depends heavily on foreign-direct investment (FDI), the jobs, facilities, and tax revenue that foreign-owned businesses create and contribute to the state. Over the past decade, FDI increased steadily by \$7.8 billion to a peak of \$26.9 billion in 2004. Of the 84,700 jobs provided by FDI, most are concentrated in the manufacturing sector—numbering about 47,400—and slightly more than half the state's foreign property and equipment investments come from European countries. Japan also provides a considerable portion of Kentucky's FDI employment, 29.8 percent, more than double the national average. Though these manufacturing jobs are vulnerable to relocation, the income they provide tends to be higher than that of native firms. As such, the state's continued prosperity will depend, in part, on attracting and retaining FDI in the future.

15.2

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15.3

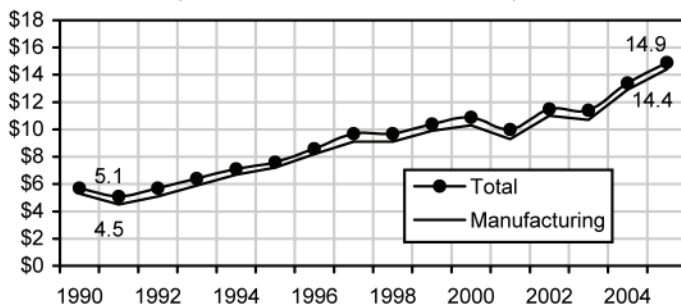
Value of Exports

In spite of occasional declines, the value of Kentucky's exports has been on a strong upward trajectory since 1990, reaching almost 300 percent of the 1991 export value in 2005 at nearly \$15 billion. Manufacturing represents more than 96 percent of the state's exports, with transportation equipment the top product in this category. In addition to the state's several automobile factories, Kentucky is the nation's top exporter of turbojet and turbopropeller parts. Kentucky also leads the nation in live-stock exports, the only nonmanufacturing commodity in the state's top ten exports.

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15.3: Value of Kentucky Exports, 1990-2005

(in billions of 2005 constant dollars)



Source: Kentucky Cabinet for Economic Development

Export Ranking

Thanks to a 15-year run of strong gains in the value of its exports, Kentucky has slowly climbed its way up from ranking 25th in the nation to 19th, due almost entirely to growth in manufacturing. Over one third of the state’s 2005 exports went to Canada, the world’s largest importer of Kentucky goods, more than three and a half times the value of goods shipped to Mexico, the number two importer of the state’s products. Most of these exports originated in the manufacturing sector, the leading products of which were transportation equipment, chemicals, computer and electronic products, and machinery. As the value of Kentucky’s exports continues its robust growth, the state’s export ranking will no doubt climb even higher, signifying a more visible presence in the world market.

15.4

KENTUCKY
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15.4: Kentucky’s National Ranking in Exports, 1993-2005	
Year	Rank
1993	25
1994	25
1995	24
1996	23
1997	22
1998	22
1999	22
2000	22
2001	22
2002	20
2003	22
2004	19
2005	19
Source: Kentucky Cabinet for Economic Development, Kentucky Exports: 2002 and Deskbook of Economic Statistics	

16

Kentucky
will
maintain
and enhance
a strong
farm economy
through
diversification,
internal
networks, and
agricultural
processing
industries.

Public opinion does not suggest optimism about the path of our state's farm economy; only a third of Kentuckians see progress toward a stronger farm economy. On ranked progress, this goal has steadily gained but nevertheless remains in the bottom tier of goals at 19th. Its overall ranking in importance is only slightly higher at 17th in 2006.

	1998	2000	2002	2004	2006
Making Progress	28%	29%	35%	30%	33%
Standing Still	37%	33%	36%	36%	37%
Losing Ground	36%	38%	28%	34%	30%

16.1

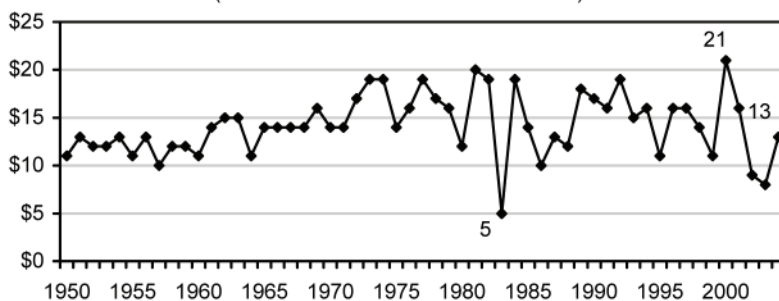
Farm Income

After making gains during the 1950s and 1960s, average net farm income became increasingly erratic after 1970, prone to wild fluctuations. With the decline in receipts for many of the state's top agricultural commodities, farm income has had an overall downward trajectory for the past quarter century, bottoming out in 1983, peaking in 2000, and, currently, landing back where it was 50 years ago in inflation-adjusted constant dollars. Even though net income has fallen back to the amount from 1956, the average of \$12,744 in 2004 represents a 63 percent improvement over average income for 2003—\$7,804—the second lowest figure since 1950. Whether such improvement can be sustained remains to be seen, but the last 30 years offer little assurance of predictability.

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**16.1: Average Net Farm Income,
Kentucky, 1950-2004**

(in thousands of 2004 constant dollars)



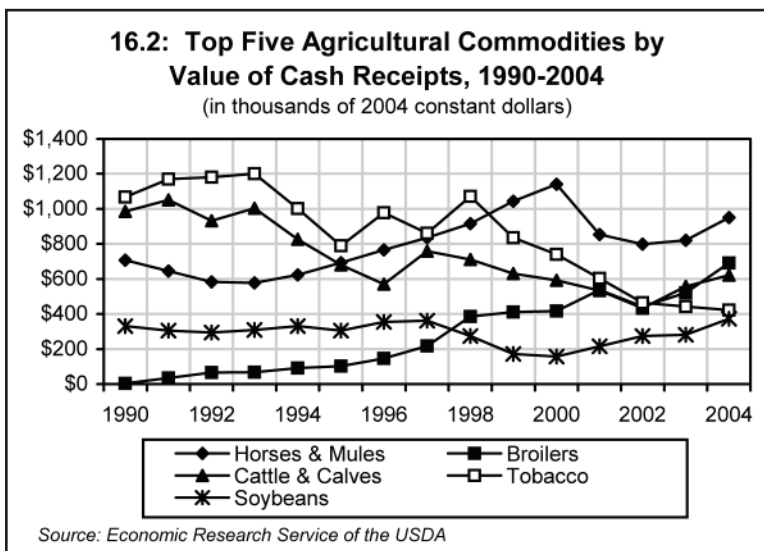
Source: Economic Research Service of the USDA

Agricultural Diversity

The last 15 years have been characterized by a dramatic change in the market for the state's top agricultural commodities. Tobacco, once the king of Kentucky's crops, has suffered tremendously in the marketplace, with receipts plummeting over 60 percent since 1990. Should the trend continue, over the next few years soybeans will likely emerge as the state's top crop, in spite of the fact that receipts for soybeans have fluctuated since 1990, making little lasting progress. Receipts for cattle and calves, once the state's second highest commodity, have dropped 37 percent, falling below receipts for broilers (chickens raised for meat) which have risen dramatically in a relatively short amount of time. Cash receipts for horses and mules peaked in 2000, then dropped off over the next two years—still remaining the top commodity—and have made modest gains since 2002. Of the state's top ten commodities, only half—horses, broilers, soybeans, corn, and eggs—brought in higher receipts in 2004 than in 1990.

16.2

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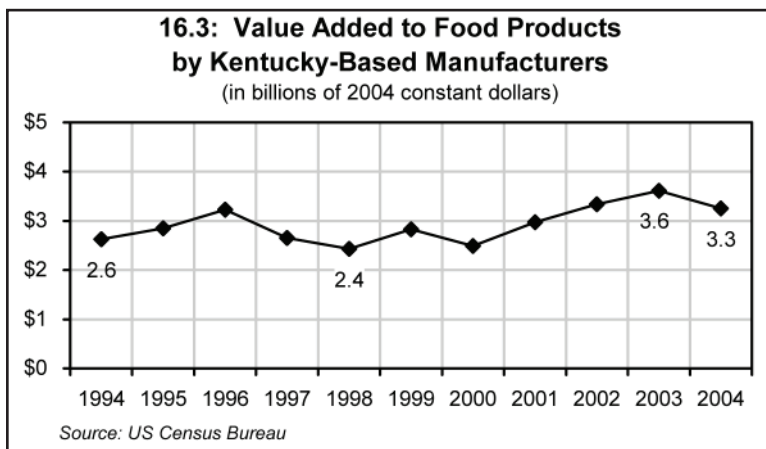


16.3

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Value-Added Food Products

While Kentucky's economy benefits from the sale of raw agricultural materials, the value added in the manufacture of products using these raw materials offers a potentially greater source of revenue. Over the past 20 years, the value added to food products by manufacturers in Kentucky remained essentially unchanged until it began fluctuating in 1996 as public policy began to focus new energy on developing this sector. Since 2000, this value has increased considerably from a low of \$2.4 billion in 1998 to a peak of \$3.6 billion in 2003. Although this value dropped to \$3.3 billion in 2004, the net gain of nearly a billion dollars in value from 1998 to 2004 from Kentucky farm products represents an important and positive gain. Keeping this value on an upward trajectory is a goal worthy of continued, aggressive pursuit. Ultimately, the manufacture of secondary agricultural products, for which global markets await, is vital to the future of farming in Kentucky.



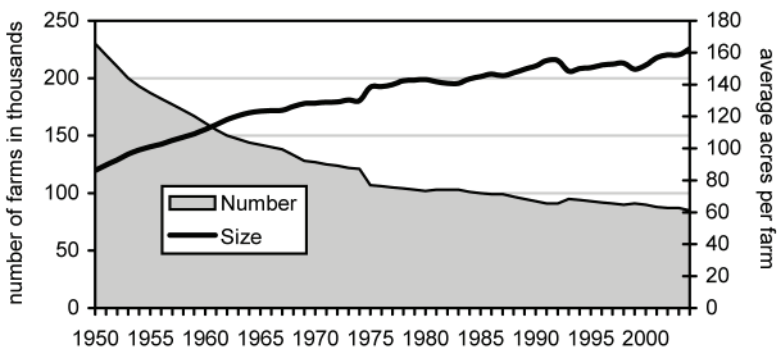
Farms

In the span of 50 years, the number of farms in Kentucky has dropped precipitously, from 193,000 in 1954 to 85,000 in 2004. As the number of farms fell, average farm size increased, growing 64 percent in the last half century. These dramatic changes in Kentucky's agricultural character are manifestations of numerous trends. Population growth and the consumption of acreage for housing and commercial establishments, changes in the economy, and the rise of the corporate farm number among them. Over the course of the decades, many traditional family farms have disappeared under the weight of losses in receipts for virtually all of the state's top agricultural products. Too, larger farms often absorb smaller ones—or at least parcels of them—while some farmers opt to sell land to developers or simply pursue other means of employment. In spite of these changes, total acreage in farms dropped by just 7 percent over the past 30 years. While losses are mounting, the beauty and bounty of gentle, rolling farmland remains central to the Commonwealth's identity.

16.4

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16.4: Number of Farms and Average Farm Size, Kentucky, 1950-2004



Source: KY Department of Agriculture

17

Kentucky
will
develop
and enhance
its physical
infrastructure
to support
and sustain
economic
development and
a high quality
of life.

Pessimism about the quality of Kentucky's physical infrastructure has deepened; just 29 percent of Kentuckians saw the state as making progress in 2006 compared to 40 percent in 1998. Its ranking on progress has declined accordingly. Assessments of its importance, however, are up from 21st in 2002 to 14th in 2006.

	1998	2000	2002	2004	2006
Making Progress	40%	37%	36%	27%	29%
Standing Still	42%	42%	51%	54%	51%
Losing Ground	19%	22%	13%	19%	20%

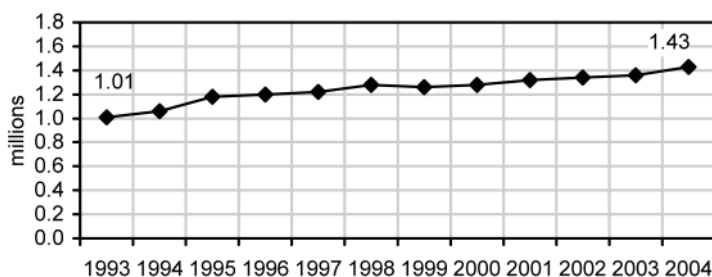
17.1

KENTUCKY
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Access to Water, Sewer Systems, and Garbage Collection

Public water and sewage systems and door-to-door garbage collection enable a higher quality of life and help maintain public health and a clean environment. Historically, these improvements were catalysts for dramatic improvements in public health. In 2003, the latest year for which data are available, about 90 percent of the state's population or 3.7 million Kentuckians were served by one of the state's 572 public water systems. Primarily due to the state's rural character, only 55 percent of the population was linked to a municipal wastewater treatment plant in 1999; the remaining 45 percent depended on on-site sewage and treatment disposal facilities—including private septic systems and lagoons—or, in some cases, “straight pipes” that still funnel raw sewage into some waterways. In 2003, 15,908 on-site sewage disposal permits were issued in the state. Since 1993, the number of households participating in door-to-door garbage collection increased 42 percent to 1.43 million.

17.1: Number of Kentucky Households Participating in Door-to-Door Collection of Solid Waste



Source: Division of Waste Management, Environmental and Public Protection Cabinet

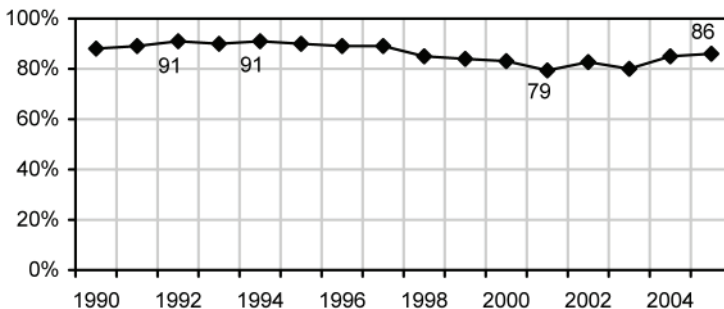
Roads and Highways

Access to well-maintained roads and highways is key to the ability of communities and whole regions to recruit business and industry, create jobs, raise living standards, and, over the long run, sustain a higher quality of life. Research has shown that highway access has been a critical factor in the location of manufacturing facilities and the development associated with those locations. By 2005, 86 percent of the Commonwealth's roads and highways were rated as being in fair or better condition, according to the Kentucky Transportation Cabinet. This represented a 7 percentage point gain from the 2001 low of 79 percent. However, it falls below a seven-year high between 1991 and 1997 during which between 89 and 91 percent of the state's roads and highways were assessed as being in fair or better condition.

17.2

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17.2: Kentucky Roads and Highways in Fair or Better Condition, 1990-2005



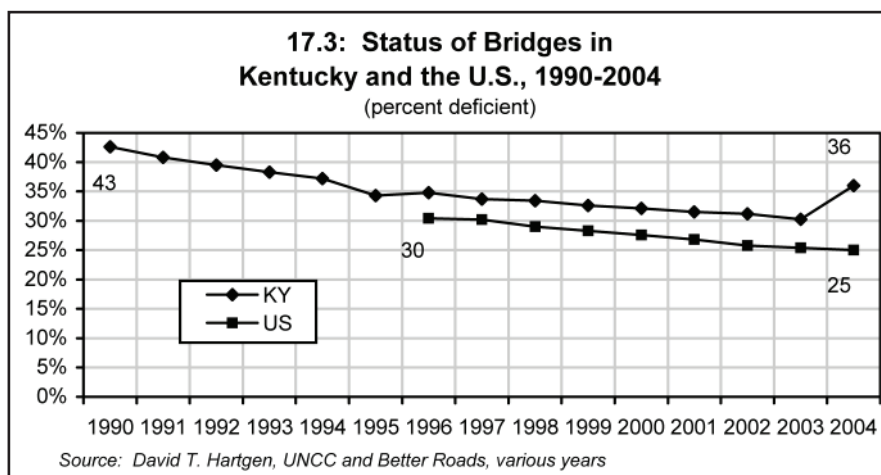
Source: KY Transportation Cabinet

17.3

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Bridges

Hand in hand with well-maintained roads and highways, safe, modern bridges contribute to Kentucky's economy and the quality of life its citizens enjoy. Structurally and functionally sound bridges facilitate the flow of goods and services state-wide. Bridges that are structurally deficient or functionally obsolete are not necessarily unsafe but rather too narrow or below the capacity of modern standards. The percentage of structurally deficient and functionally obsolete bridges in Kentucky declined steadily from 43 percent in 1990 to 30 percent in 2003, but jumped to 36 percent in 2004. Kentucky's drop in bridge quality between 2003 and 2004 was the largest recorded by all states. During the same year, only five other states experienced an increase in the percentage of deficient bridges, but each registered only a 1 percent increase. Nationally, the percentage of deficient bridges has declined steadily from 30 percent in 1996 to 25 percent in 2004.

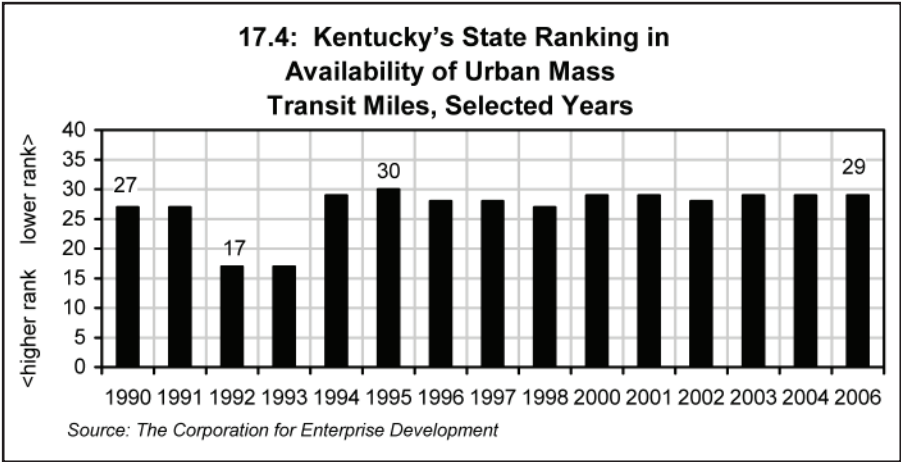


Mass Transit

Because they provide the sole means of transport for many Kentuckians who cannot drive or are unable to afford a vehicle, mass transit systems provide critical public access to jobs, schools, medical care, and shopping. They also help lessen traffic congestion, air pollution, and wear and tear on city streets. In the absence of good public transit systems, low-income communities are disproportionately affected. Largely because Kentucky is for the most part rural, our state ranking in the availability of urban mass transit miles has remained at roughly the same level for the past decade, mired at 29 for the past three years.

17.4

KENTUCKY
LONG-TERM POLICY
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18

Kentucky will
develop a
state-of-the-art
technological
infrastructure
that complements
its learning
culture and
bolsters its
competitive
position in the
world economy.

Public opinion about Kentucky's progress toward a state-of-the-art technological infrastructure has fallen sharply, from 45 percent in 1998 to 31 percent in 2006, up from a low of 27 percent in 2004. Its ranking on progress has also plummeted from 5th in 1998 to 15th in 2006 while recognition of its importance has risen substantially in rank.

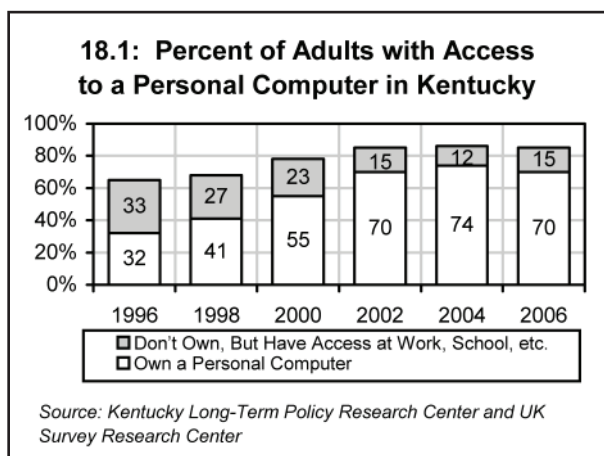
	1998	2000	2002	2004	2006
Making Progress	45%	38%	40%	27%	31%
Standing Still	40%	44%	46%	50%	48%
Losing Ground	16%	18%	14%	23%	21%

18.1

Access to Personal Computers

Access to and use of computers is fast becoming a prerequisite for educational and economic success. The percentage of Kentucky adults with access to a personal computer has hovered around 85 percent since 2002. In 2006, 70 percent of Kentucky adults reported having home computer access while about 15 percent reported having access to a computer at work, school, or elsewhere. The remaining 15 percent of Kentuckians reported having no computer access. However, the availability of computers in public libraries provides some level of access to all Kentuckians (see Indicator 18.3).

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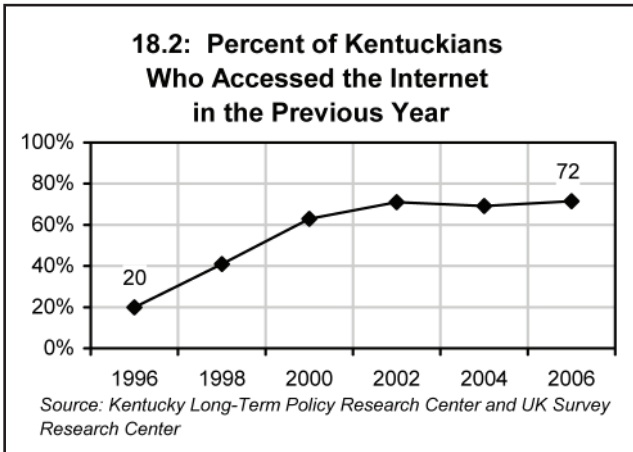


Internet Access

Research shows that because information technology permeates so many aspects of our lives, access to and use of it are increasingly important to being fully informed, socially integrated, and economically successful. Kentucky has made dramatic progress on this important measure since 1996. Only 20 percent of all Kentuckians said they had accessed the Internet at some point during the previous year in 1996 compared to 72 percent in 2006. Thus, Kentuckians have rapidly moved into the Information Age over the past decade, utilizing perhaps the greatest information resource in history—the Internet—in ever increasing numbers.

18.2

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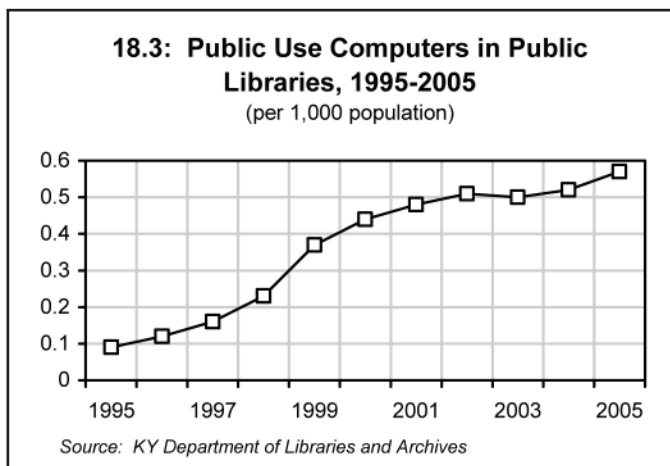


18.3

Computer Access in Public Libraries

While computers have become ubiquitous, many Kentuckians still do not have routine access to them. In response, public libraries have made access to computers and the Internet, as well as training in their use, an integral part of their missions. According to the *Statistical Report of Kentucky Public Libraries* for fiscal year 2004-2005, Kentucky libraries continue to increase their investment in computer terminals for public use and train thousands of patrons annually to use electronic resources. Here we illustrate the overall rate of growth in this increasingly important public service relative to the state's population between the years 1995 and 2005. As shown, the number of public access computers per 1,000 population has grown from 0.1 in 1995 to 0.6 in 2005.

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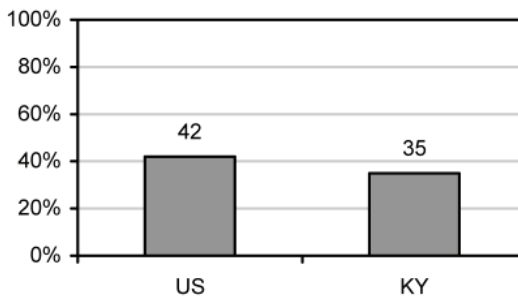
Home Broadband Access

Broadband technology allows for greater data transfer rates than traditional dial-up modems, enabling Internet users to access richer and more dynamic content at faster speeds. In recent years, the Internet has emerged as a new means for conducting business, attending college, providing medical care, and more, but a broadband connection is essential to partake of many of these opportunities. Nationwide, 42 percent of all adults have broadband access at home, well ahead of the 35 percent of adult Kentuckians who have residential high-speed Internet connections. Though a relatively small proportion of the state's adults have broadband at home, 98 percent of households reside in areas where broadband is available. In addition to the challenge of spreading broadband's availability, an even greater task will be advancing the adoption of this powerful technology.

18.4

KENTUCKY
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18.4: Percentage of Adults with Broadband Internet Access at Home, U.S. and Kentucky, 2006



Source: Pew Internet & American Life Project, Kentucky Long-Term Policy Research Center and UK Survey Research Center

19

Kentucky
will
establish
a fair,
competitive,
and
responsible
fiscal,
tax, and
regulatory
structure.

Citizen views of progress toward a fair fiscal, tax, and regulatory structure remain low; just 22 percent of Kentuckians saw the state making progress in 2006, up from 18 percent in 2004. The progress ranking of this goal remains mired near the bottom. The ranking of its importance has waxed and waned, hitting a low of 16th in 2006.

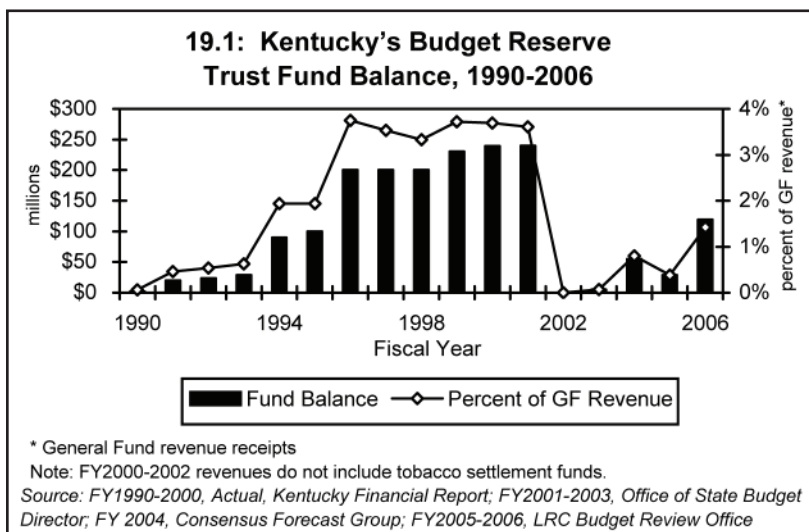
	1998	2000	2002	2004	2006
Making Progress	29%	21%	24%	18%	22%
Standing Still	40%	40%	46%	44%	47%
Losing Ground	31%	39%	30%	37%	31%

19.1

Rainy Day Fund

Every good plan contains fail-safes of some sort, a Plan B should something go awry with Plan A. For the state, the rainy day fund can provide backup financing in the event of a revenue shortfall. During the course of the 1990s, Kentucky's Budget Reserve Trust Fund grew to over \$200 million, money which was entirely consumed by shortfalls in 2002, demonstrating the necessity of having such a contingency in place. Like many other states, Kentucky has had some budgetary struggles this decade, but has managed to replenish its rainy day fund in recent years, with the balance reaching \$119 million in FY 2006.

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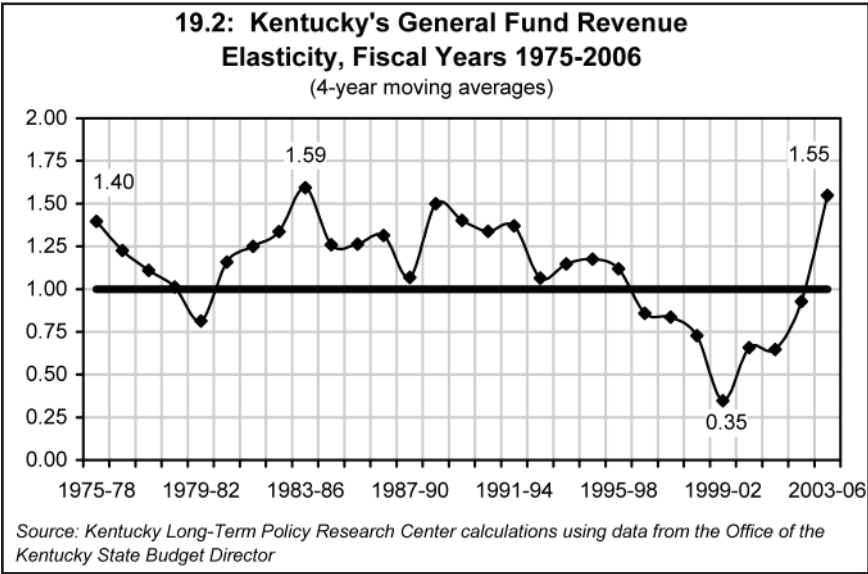


Revenue Adequacy

The adequacy of a state’s revenue system is defined by how it grows with the economy. Revenue elasticity measures the percentage change in revenue relative to the percentage change in personal income. An elasticity of 1.0 shows that tax revenue grows at the same pace as the economy. Revenue growth slowed dramatically here from 1998 to 2002, when it reached its nadir with an elasticity of about 0.35, less than half the value public finance economists say is ideal. Since then it has slowly climbed back to 1.55 in 2006. Stronger economic growth coupled with the tax modernization package enacted by the 2005 General Assembly, *JOBS for Kentucky*, have put Kentucky’s finances on a more sustainable path.

19.2

KENTUCKY
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19.3

State Government Bond Ratings

Kentucky's bond ratings reflect bond companies' assessments of the Commonwealth's borrowing capacity based on revenue collections, spending restraints, demographics, and the state's economic trajectory. With improved bond ratings come lower interest rates and lower borrowing costs for the state. Unfortunately, budgetary shortfalls and economic sluggishness led Standard & Poor's to lower Kentucky's bond ratings in 2002. Since then, the state's economic outlook and credit conditions have not sufficiently improved for the Commonwealth's rating to be upgraded to its previous level. Like Kentucky, many states have had their ratings lowered in recent years, resulting in millions more paid in interest by state governments, making financial recovery all the more challenging and imperative.

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19.3: Kentucky State Government Bond Ratings

Year	Standard & Poor's	Moody's
1997	AA	*
1998	AA	*
1999	AA	Aa2
2000	AA	Aa2
2001	AA	Aa2
2002	AA-	Aa2
2003	AA-	Aa2
2004	AA-	Aa2
2005	AA-	Aa2

* Not reviewed.

Source: Standard & Poor's and Moody's Investors Service

Regulatory Structure

In spite of its importance to business development and industrial recruitment, we are unable to identify an objective, reliable measure of the state's regulatory structure relative to other states.

19.4

KENTUCKY
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20

Kentucky
will
create
an
entrepreneurial
economy.

A declining portion of Kentuckians see the Commonwealth making progress toward the realization of a more entrepreneurial economy. Its overall ranking in regard to progress and importance—20th on both in 2006—have remained consistently low, relative to other goals.

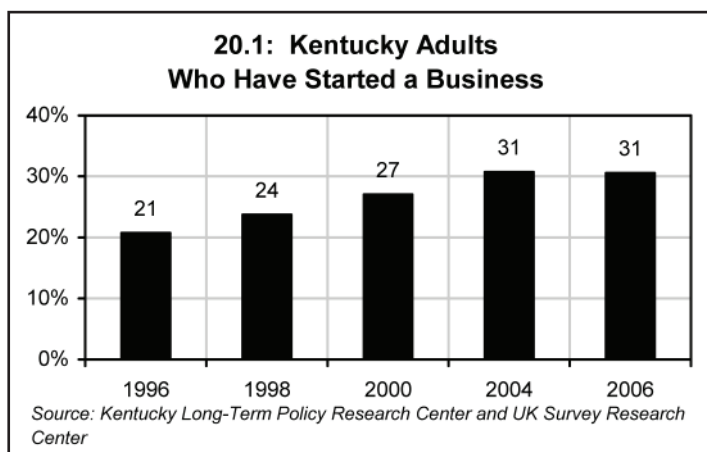
	1998	2000	2002	2004	2006
Making Progress	33%	28%	28%	23%	25%
Standing Still	45%	49%	53%	52%	48%
Losing Ground	22%	23%	19%	26%	27%

20.1

Entrepreneurs

According to the U.S. Small Business Administration, there are an estimated 194,000 self-employed individuals in Kentucky, representing about 10 percent of the state's total employment. Long a vital component of Kentucky's economy, small businesses have enabled individuals, communities, and the state economy to weather job losses in other sectors and adapt to structural change. In 1996, an estimated 21 percent of Kentucky's adult population reported that they had started a business at some point in their careers. A decade later this percentage had increased by 10 percentage points to 31 percent, an encouraging trend that suggests rising levels of entrepreneurial skill, technological prowess, and education.

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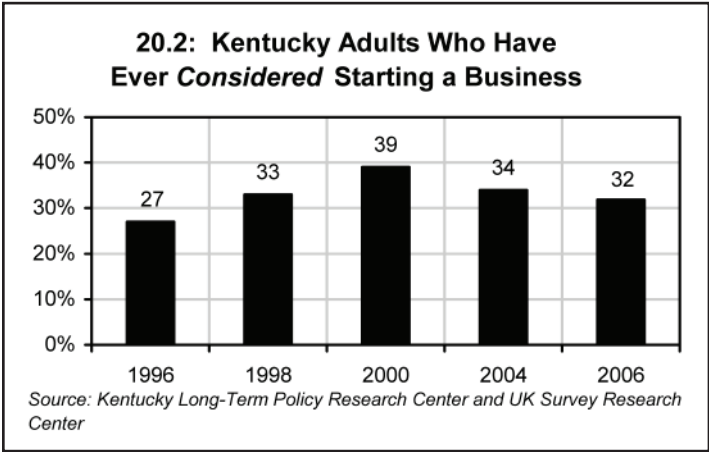


The Entrepreneurial Impulse

A considerable amount of latent, if as yet unexplored, entrepreneurial energy exists in Kentucky. In 2006, we found that about a third (32 percent) of Kentuckians who have never started a business have at least considered doing so at some point in their lives. This estimate is up from 27 percent in 1996. This growing capacity for entrepreneurship, given the right combination of facilitating circumstances, could play a vital role in Kentucky's future economic prosperity.

20.2

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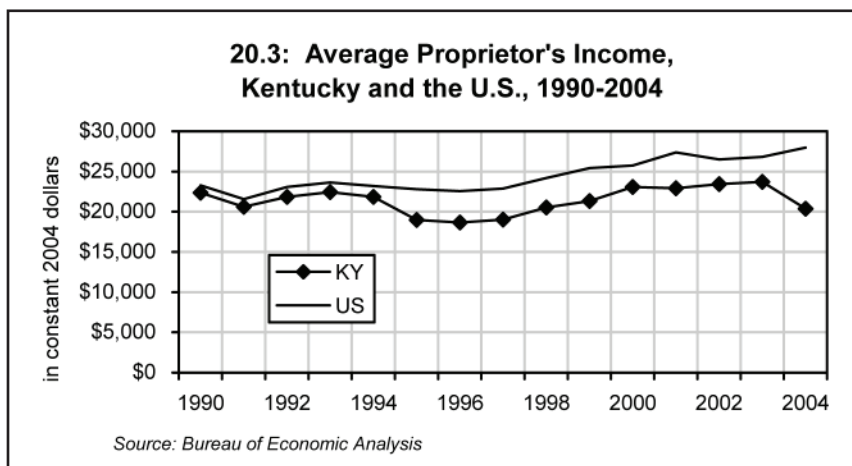


20.3

KENTUCKY
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Entrepreneurial Depth

The resiliency that a deep base of entrepreneurship lends to an economy is widely recognized. Measuring that depth, however, presents far more difficulty. While aggregate data are indicative of the overall contribution made by entrepreneurs, ultimately the quality of entrepreneurial activity varies from business to business. High-value entrepreneurs clearly earn more, add more value, and enhance regional growth and prosperity more than other entrepreneurs. Here, however, we examine a single but telling measure—estimated average proprietors' income. From about the early to mid-1990s, both Kentucky and the nation as a whole enjoyed an average proprietors' income of between about \$21,000 and \$23,000. In 1995, Kentucky's average dropped to approximately \$19,000 and has remained below the national average since that time.

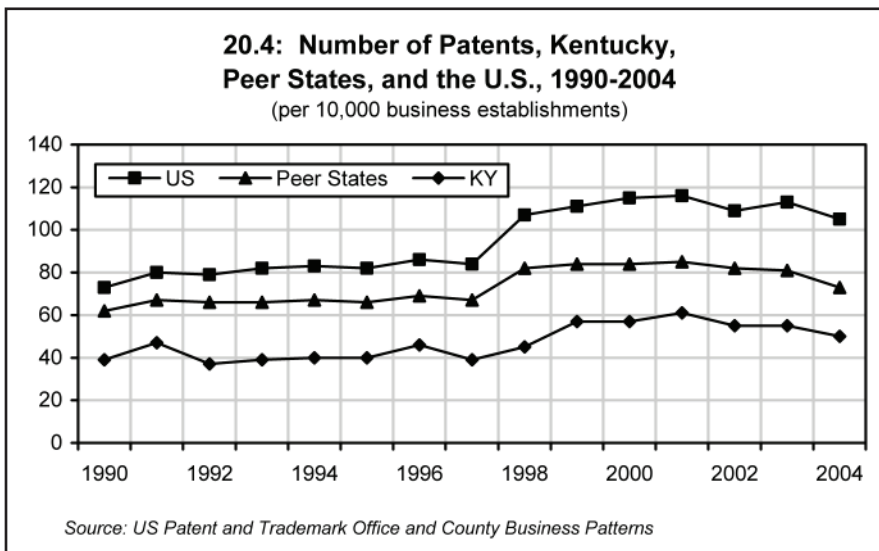


Patents

Innovation, as measured by the number of patents issued to its citizens, is widely regarded as a measure of the entrepreneurial spirit of a state. A recent study by the Federal Reserve Bank of Cleveland finds that innovation, along with education, has a significant impact on a state or region's per capita income. The study shows that "states which foster inventiveness, as measured by [patents], can gain economic dividends that endure for generations." The study estimates that strength in innovation among the higher-performing states, as measured by a high number of patents, increases relative per capita personal incomes by 20 percent. By contrast, in the nation's worst-performing states—a group that includes Kentucky—the slow pace of innovation imposes about a 6 percent drag on incomes. Kentucky lags the U.S. average as well as its peers on this indicator of innovation and the economic benefits to which it gives rise.

20.4

KENTUCKY
LONG-TERM POLICY
RESEARCH CENTER



ENVIRONMENT

21

Kentucky will protect and enhance its environment through the responsible stewardship of its natural resources and the preservation of its scenic beauty.

Half of Kentuckians viewed the state as making progress on environmental protection in 2006, a slight decline from the peak of 55 percent in 2000. This goal continued to rank near the top in regard to progress while falling to 18th in importance, again perhaps as an indication of the perception of accomplishment.

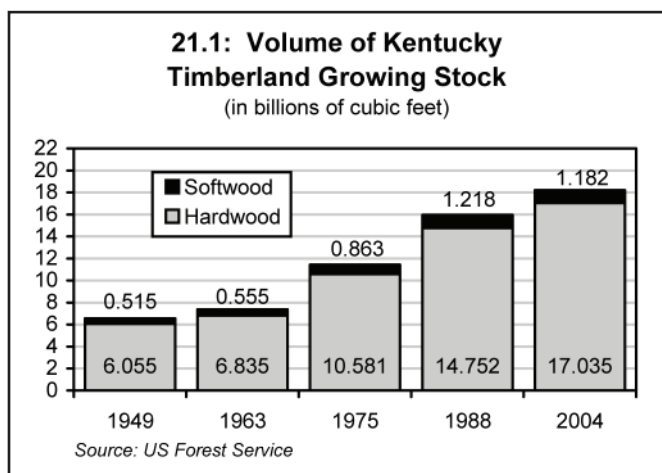
	1998	2000	2002	2004	2006
Making Progress	51%	55%	54%	47%	50%
Standing Still	27%	27%	31%	37%	34%
Losing Ground	22%	18%	15%	16%	16%

21.1

KENTUCKY
LONG-TERM POLICY
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Timberland Stock

Timberland growing stock has increased dramatically in Kentucky over the past half century. By 2002, the amount of timberland in the state had risen to 12.3 million acres—more than 48 percent of the state's total acreage. Almost 92 percent of the state's timberland is privately owned, which often hampers efforts to monitor and assist with the quality of forestland management. In 2001, due to a combination of a mild winter and a prolonged drought, the South experienced its most severe southern pine beetle (SPB) outbreak in history, infesting tens of thousands of acres and causing over \$200 million in damages. SPB has killed more than 70 percent of the pine forest habitat of the red-cockaded woodpecker, a federally listed endangered species, in the Daniel Boone National Forest in southern Kentucky. In spite of these losses, the quantity of Kentucky's forestland seems to be in good shape.

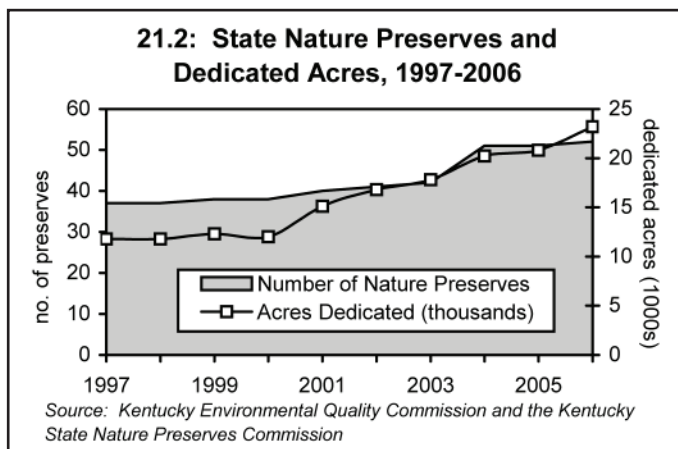


Nature Preserves

The pastoral beauty of Kentucky landscapes is inarguably one of the state's greatest natural resources. In recognition of the importance of preserving this bounty and the biodiversity it sustains, the Kentucky State Nature Preserves Commission manages over 23,000 acres, including conservation easements on private properties with significant populations of rare species. Over the past decade alone, the number of state nature preserves has increased from 37 in 1997 to 52 while protected acreage almost doubled, expanding from nearly 11,800 acres in 1997 to 23,200 acres in 2006. While some is held by private, nonprofit preservation organizations, this protected land comprises only a fraction of the state's 25 million acres.

21.2

KENTUCKY
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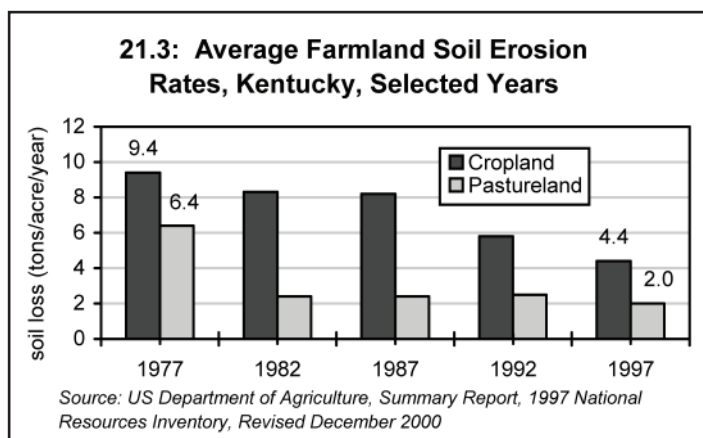


21.3

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Soil Erosion

Soil erosion yields harmful consequences that extend well beyond a farm's wooden fences. In addition to the obvious problem of lost agricultural productivity, this process also results in the impairment of waterways: the more soil washes away, the more it winds up in the state's rivers and streams, contributing to pollution and flooding. Unfortunately, soil erosion rates from 1997 remain the most recent available data for the state, due to methodological changes in the National Resources Inventory. While we lack new Kentucky-specific information, the 2001 NRI indicated that at the national level erosion rates continued to wane, though the rate of decline has slowed considerably. This sheds no light on what might be happening in the Commonwealth, however, and it will be at least another couple of years before the NRI once again produces state-level data. But the proportion of waterways impaired by pollutants from agricultural sources has been on the rise, suggesting that, perhaps, we might be losing ground in our fight against erosion.

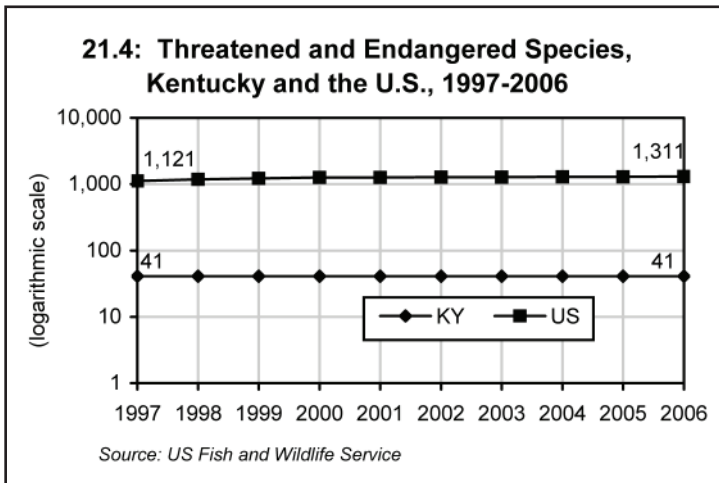


Plants and Wildlife

Of the 1,879 species of plants and animals known to be threatened and endangered worldwide today, 1,311 are in the United States. Since the Endangered Species Act became law in 1973, the number of federally designated threatened and endangered species has increased more than tenfold. During the 1980s and 1990s, the U.S. Fish and Wildlife Service (USFWS) added an average of 49 species to the list each year, adding 126 species in 1994 alone. Since 2000, however, this average has dropped to 11 additional species per year. Since 1973, the number of threatened and endangered species in Kentucky grew from 3 to 41 in 1997, where it has remained.

21.4

KENTUCKY
LONG-TERM POLICY
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22

Individuals,
communities,
and
businesses
will use
resources
wisely and
reduce waste
through
recycling.

The public perception of progress toward the wise use of resources and waste reduction has fallen sharply, from a high of 51 percent of citizens in 1998 to 39 percent in 2004 and 2006. Likewise, the ranking on overall progress has fallen by eight places, from 2nd to 10th, while its ranking in terms of importance hit bottom in 2006.

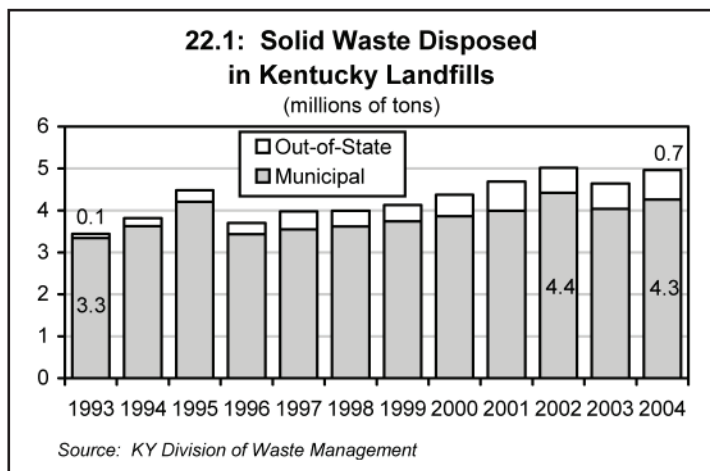
	1998	2000	2002	2004	2006
Making Progress	51%	48%	47%	39%	39%
Standing Still	31%	30%	35%	40%	38%
Losing Ground	17%	22%	17%	21%	23%

22.1

Solid Waste Disposal

In spite of the laudable goal set by the General Assembly in 1992 of reducing the amount of municipal solid waste (MSW) generated in Kentucky each year, MSW deposited in landfills has increased 27 percent. The overall increase actually peaked at 32 percent in 2002. At the same time, the amount of out-of-state solid waste disposed in Kentucky landfills has rocketed more than 600 percent, reaching a record 702,295 tons in 2004. Altogether, over 51 million tons of solid waste have been added to the state's landfills since 1993.

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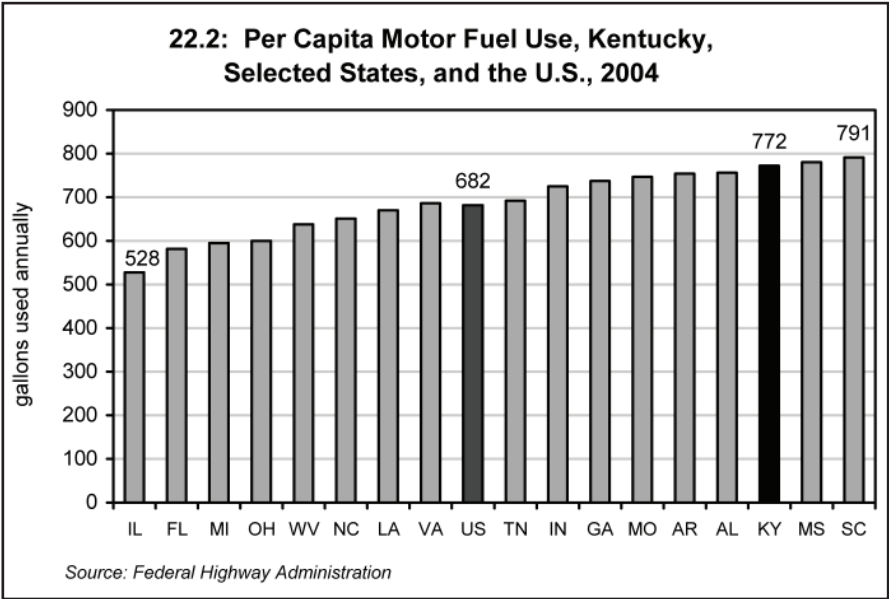


Motor Vehicle Fuel Use

The United States consumes more than 20 million barrels or 840 million gallons of petroleum products every day, almost half in the form of the gasoline used in an estimated 200 million motor vehicles that travel more than 7 billion miles per day. Kentucky ranks among the nation’s highest users of motor vehicles, consuming 772 gallons of gasoline per capita in 2004, compared to a U.S. average of 682 gallons and a low of 528 gallons among its peer states (Illinois). Only two peer states exceed Kentucky’s rate of use, Mississippi and South Carolina. Clearly, high rates of motor vehicle use in Kentucky are linked to the rural character of the state and the long commutes of many rural residents. Nevertheless, efforts to conserve this increasingly costly resource and expand alternatives to it are needed. Here, Kentucky could seize opportunities to develop new fuels, encourage their use, and create job opportunities in the process.

22.2

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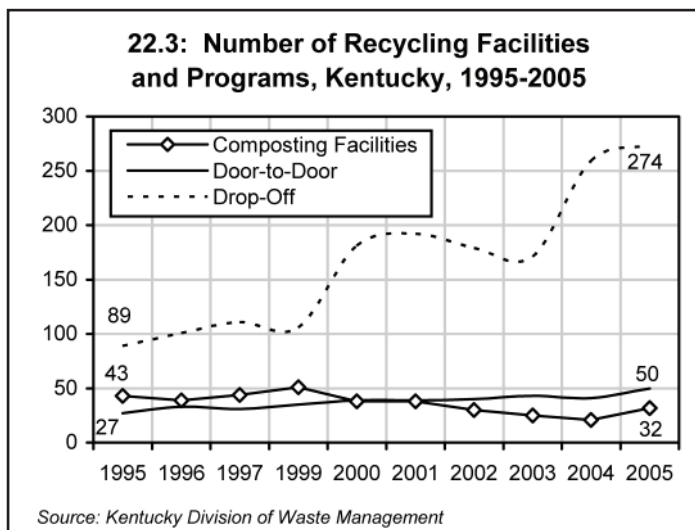


22.3

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Recycling

Recycling is an invaluable tool in the drive to protect the state's environment, one that empowers individuals and communities, reduces potentially harmful solid waste, and creates business and job opportunities. Here, the number of drop-off centers for recyclables tripled in the last decade from 89 to 274 while door-to-door recycling programs almost doubled, up from 27 in 1995 to 50 in 2005. In addition, the Commonwealth has 66 establishments that only collect and recycle oil, and countless other businesses accept used motor oil for recycling. Only 8 of the 120 Kentucky counties—Bath, Carlisle, Edmonson, Gallatin, Hickman, Lee, Leslie, and Wayne—do not have a least one recycling facility, and 3 counties—Boone (24), Fayette (31), and Jefferson (33)—boast more than 20 recycling facilities each. A recent change in Kentucky's administrative regulations now permits a truer picture of recycling statewide because scrap yards and salvage yards are no longer included, and the Commonwealth's efforts have become more concentrated on removing recyclables from the municipal waste stream.

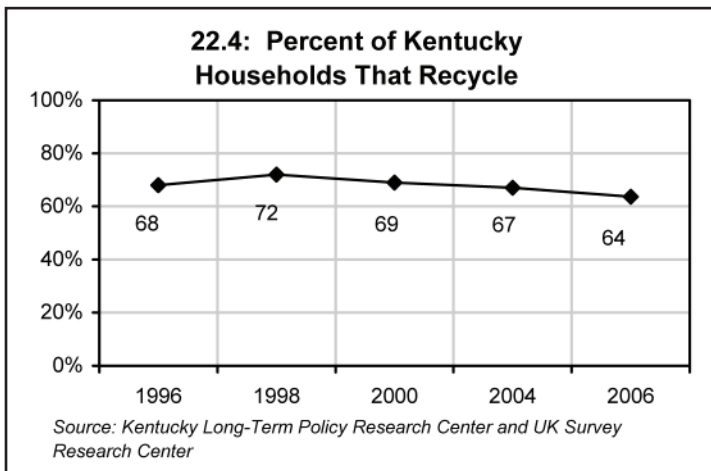


Participation in Recycling Efforts

Recycling has become increasingly important as populations become more concentrated and consume reusable materials at ever-increasing rates. Our biennial surveys, however, show that the percentage of Kentucky households that recycle peaked at 72 percent in 1998, then declined steadily to 64 percent in 2006. This decline in a cornerstone of civic engagement in environmental protection has paralleled rising opportunities to participate. Door-to-door collection programs have nearly doubled since 1995, but only 50 of these programs were underway in 2005. Drop-off centers, however, have more than tripled. Greater convenience, it appears, is needed to encourage more time-stressed households to recycle. Ultimately, local governments that invest in door-to-door collection stand to reap many benefits, including lower costs for waste disposal, fewer complaints about current and future landfills, and cleaner water.

22.4

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LONG-TERM POLICY
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23

Kentucky
communities
will foster
and promote
a high level of
environmental
awareness
and pollution
abatement.

Opinion on our progress toward higher levels of environmental awareness declined 10 percentage points, from a high of 45 percent in 1998 to a low of 35 percent in 2006. The ranking of progress also changed little, but Kentuckians now assign a much higher level of importance to this goal, which jumped in rank from 23rd in 1998 to 13th in 2006.

	1998	2000	2002	2004	2006
Making Progress	45%	41%	44%	35%	35%
Standing Still	38%	36%	41%	45%	44%
Losing Ground	17%	23%	15%	19%	21%

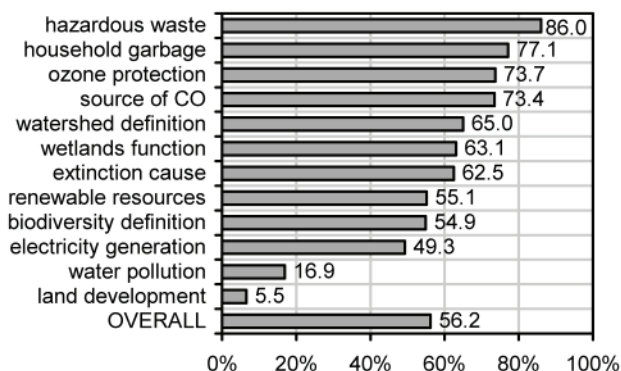
23.1

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Environmental Literacy

A 2004 statewide survey, part of an effort “to create a Master Plan for Environmental Education in the state,” represents the most recent known effort to gauge the environmental literacy of Kentuckians, though participation in recycling and other measures clearly are indicative of awareness and knowledge. Conducted by the Kentucky Environmental Education Council (KEEC), the 2004 survey assessed knowledge, attitudes, and behaviors relating to environmental issues. Overall, respondents identified the proper answers to a majority of the questions but indicated a low level of awareness about where Kentucky ranks nationally in regard to land development (2nd) and what the main cause of water pollution is (storm water run-off). KEEC conducts the environmental literacy survey every five years.

23.1: Percentage of Kentuckians Answering Environmental Survey Questions Correctly, 2004



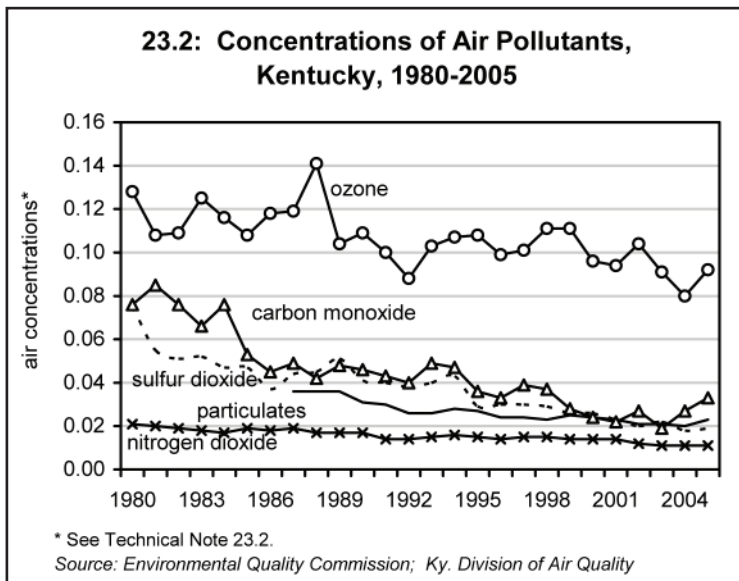
Source: Kentucky Environmental Education Council and UK Survey Research Center

Air Quality

Public health is inextricably linked to the quality of the air we breathe. Since adoption of the Clean Air Act in 1970, dramatic reductions in emissions have been achieved. Kentucky monitors air quality through 50 stations with 129 monitors in 37 counties, mostly located near high population areas or known sources of air pollution. Data from this monitoring determine attainment of National Ambient Air Quality Standards (NAAQS) as established by the U.S. Environmental Protection Agency. Of the eight Kentucky counties designated nonattainment for the 8-hour ozone standard in 2004, only one has achieved attainment. Four others are under review based on 2003-05 ozone data showing attainment. While air quality is expected to continue improving over the near term, observers expect future reductions to be smaller and, given increased understanding about pollutants and shifting concerns, more costly to achieve.

23.2

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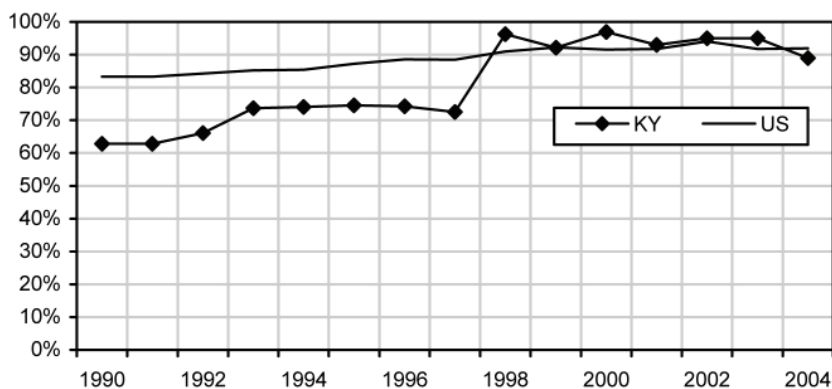
23.3

Water Quality

Most Americans get their water from a community water system (CWS). The Environmental Protection Agency reported that approximately 268 million people were served by the nation's estimated 54,000 CWSs in 2004. However, just 7 percent of those systems (3,797) served 81 percent of the population. In Kentucky and beyond its border, approximately 532 public drinking water systems serve about 4.5 million people. Of these CWSs, approximately 10 percent or 40 systems reported health-based violations in 2004. Importantly, the percent of Kentuckians served by systems without a health-based violation has grown since the early 1990s. Recent data show that nearly all Kentuckians can be assured that their water has not come from a system reporting a health-based violation.

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23.3: Percent of People Served by Community Water Systems with NO Health-Based Violations, Kentucky and the U.S., 1990-2004



Source: Environmental Protection Agency

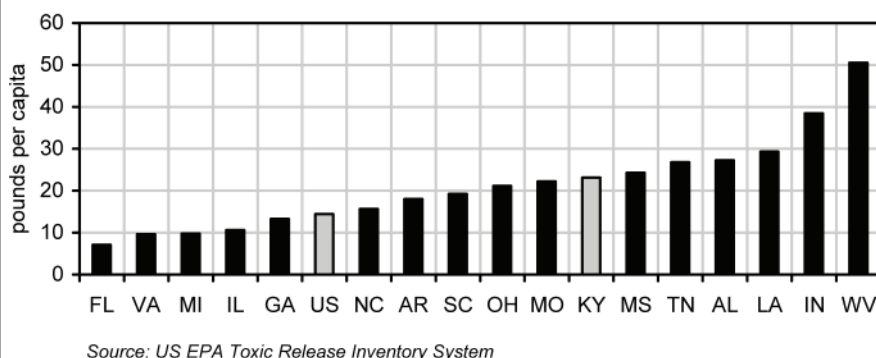
Toxic Releases

The Environmental Protection Agency (EPA) provides data to help communities identify chemical disposal facilities and other toxic release patterns that warrant public vigilance. Combined with hazard and exposure information, these data can be valuable in risk identification. Kentucky currently ranks 39th in the nation for the amount of total per capita on- and off-site disposal or other releases of toxic chemicals included in the toxic release inventory. At more than 20 pounds of toxic releases per capita, the Commonwealth exceeds the national average. Compared to its peers, the state performs poorly overall but falls well short of the maximum per capita release estimate of more than 50 pounds per capita in neighboring West Virginia.

23.4

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**23.4: Total Per Capita On- and Off-Site Disposal
or Other Releases of Chemicals Included
in the Toxic Release Inventory, 2004**



GOVERNMENT

24

Government at
all levels
will be
accountable,
open,
participatory,
and
responsive
to the
changing
needs of
Kentuckians.

Kentuckians clearly view open, accountable government as one of our most important goals; it consistently ranks at 6th or 7th in importance. But the portion of citizens who view the state as making progress has fallen from a high of 28 percent in 1998 to 19 percent in 2006. Its progress ranking, likewise, remains near the bottom.

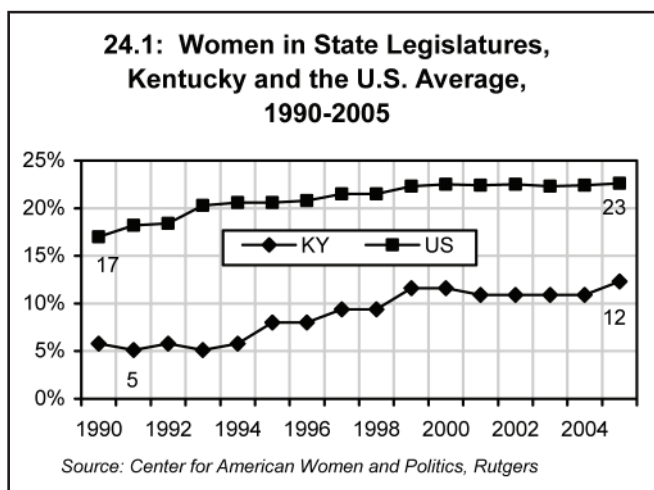
	1998	2000	2002	2004	2006
Making Progress	28%	25%	26%	17%	19%
Standing Still	41%	40%	49%	44%	38%
Losing Ground	32%	35%	25%	39%	43%

24.1

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Women in State Legislatures

Research has shown that women who serve in legislative offices are more likely to advance issues of importance to women, children, and families than their male counterparts, particularly if they have strength in numbers. Consequently, a shared, if not equal, role in shaping the laws and policies of states, cities, and other jurisdictions may be essential to the preservation of true democracy. In regard to the percentage of female representatives in the state legislature, Kentucky has ranked 48th in the nation since 2003 when 15 of 138 seats were held by women. Today, 16 legislative seats—only 12 percent—are held by women in Kentucky compared to a national average of 23 percent. While Kentucky has made gains, other states have made greater strides toward equal representation. The Commonwealth trails all surrounding states, which are led by Illinois where 27 percent of legislators are female. Only Alabama (11.4 percent) and South Carolina (8.8 percent) had lower rates of representation by women in the state legislature in 2006.

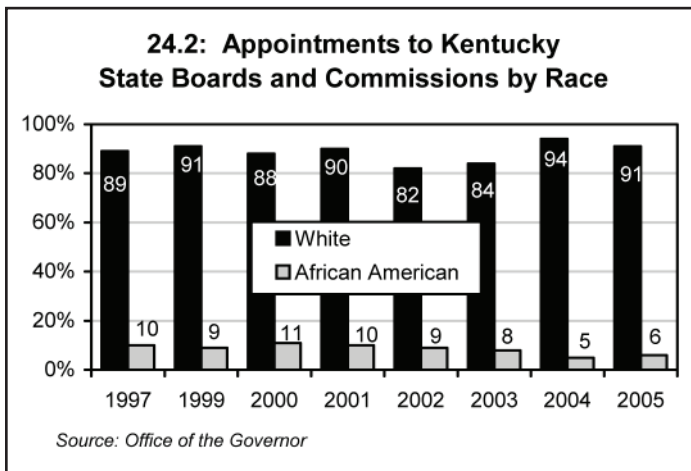


Minority Appointments

Appointees to state boards and commissions have historically been predominantly white, but this seeming imbalance mirrors the racial makeup of the state, which is predominantly (90 percent) white. In 2002 and 2003, minorities were overrepresented relative to the population. In 2004, however, 94 percent of appointments went to Caucasians. African Americans, meanwhile, have been underrepresented, constituting 7 percent of the population but just 5 percent of 2004 appointees and 6 percent of those made in 2005. Roughly 1.7 percent of Kentuckians are Hispanic, and movement has been made to represent this growing population. In 2005, Hispanics received 1.4 percent of appointments to state boards and commissions. Taken as a whole, the state's largest minority groups have been underrepresented in recent years, but 2005 appointments demonstrated progress toward achieving parity with the population's composition.

24.2

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24.3

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Ethics in Government

As the conduct of political leaders impacts both the effectiveness of government and the support of the populace, maintaining a high ethical standard for those in office helps to ensure the best possible stewardship of the Commonwealth. In 2003-2004, the number of possible violations, reprimands, adjudicatory proceedings, and cases referred to law enforcement agencies all rose for the executive branch of state government, with record high numbers of possible violations and cases referred to law enforcement. In subsequent years, these numbers dropped off, but 2004-2005 saw a record high number of investigations initiated. Among the legislative branch, there has not been such a dramatic change, though no complaints were filed against legislators in 2004-2005 for the first time in four years. After a spate of complaints and investigations from 1997 through 2000, those within the legislative branch have maintained a relatively consistent level of ethical conduct.

**24.3: Kentucky Legislative and Executive Branch
Ethics Office Reports**

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Legislators										
Complaints filed	0	8	0	1	0	4	2	3	0	.
Investigations initiated	0	10	0	0	0	0	0	0	0	.
Confidential reprimands	0	0	1	0	0	0	0	0	0	.
Adjudicatory proceedings	0	0	0	0	0	0	0	0	0	.
Complaints still pending	0	1	0	0	1	0	0	0	0	.
Executive Branch										
Indications of possible violations	27	30	36	39	33	37	61	63	54	56
Investigations initiated	16	12	15	18	19	26	28	25	34	26
Confidential reprimands	8	3	2	2	5	2	4	7	6	2
Adjudicatory proceedings	4	4	0	0	1	1	2	3	7	3
Cases referred to law enforcement agencies	3	0	3	5	3	5	9	15	4	7

Note: The 2006 legislative data are not yet available.

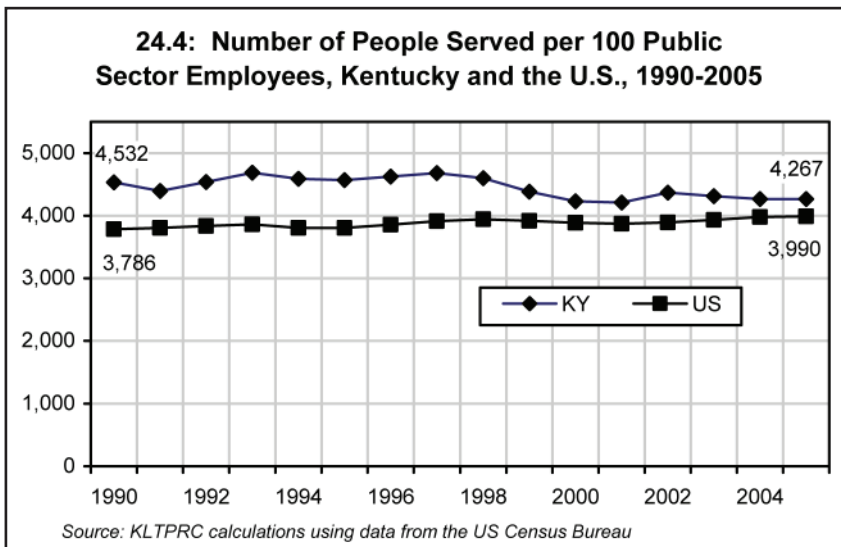
Source: Kentucky Legislative Ethics Commission Annual Reports and the Executive Branch Ethics Office Report

State and Local Government Efficiency

States with a more entrepreneurial and innovative public sector should, in principle, be increasing the number of residents served per public employee, as workers assume broader responsibilities and technology enables greater efficiencies. Since 1990, Kentucky has outperformed the nation in this area by serving more people per 100 state and local government employees than the rest of the nation. However, the gap between Kentucky and the national average is closing, as the number of people served here declined from approximately 4,532 people per 100 public sector workers in 1990 to 4,267 in 2005 while the national average increased from 3,786 to 3,990.

24.4

KENTUCKY
LONG-TERM POLICY
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25
Kentucky
will
ensure
a fair,
equitable,
and
effective
system of
justice.

Only a quarter of Kentuckians saw the state making progress toward the goal of a fair, equitable, and effective justice system in 2006. Likewise, the progress ranking of this goal has remained low. In terms of importance, however, Goal 25 has steadily moved upward, ranking 9th in 2004 and 2006 and up 7 places since 1998.

	1998	2000	2002	2004	2006
Making Progress	24%	28%	31%	23%	25%
Standing Still	44%	39%	44%	49%	43%
Losing Ground	32%	33%	24%	28%	32%

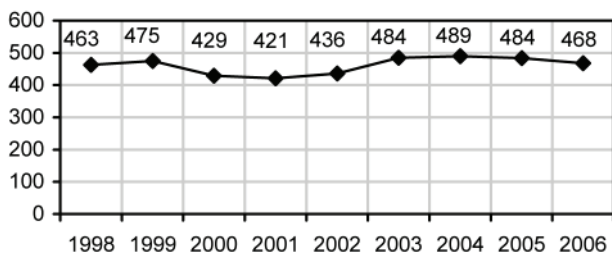
25.1

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Access to Public Defender Services

In order to help ensure justice for all, publicly financed lawyers handle the defense of those who cannot afford legal representation. As such, overly burdensome caseloads can adversely affect the quality of the defenses mounted by public attorneys, placing the financially disadvantaged at a legal disadvantage. After peaking at an average of 489 cases per defender in Fiscal Year 2004, the average caseload has subsequently dropped off, though still remains significantly higher than the Fiscal Year 2001 low of 421 cases. In spite of expert recommendations that the maximum average workload not exceed 400 cases per attorney, Kentucky's public defenders have consistently been saddled with much higher numbers of cases. From Fiscal Year 2000 to 2006, the total number of cases handled by the Department of Public Advocacy grew 43 percent, offering little indication that public defender caseloads will reach the recommended level in the near future.

**25.1: Average Number of Cases
Handled by Public Defenders in
Kentucky, 1998-2006**



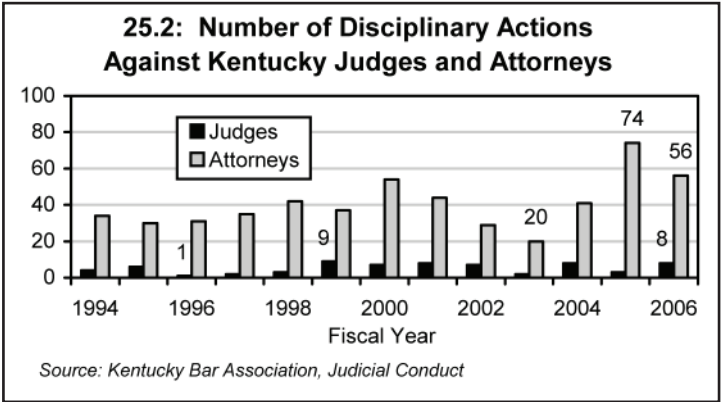
Source: KY Department of Public Advocacy

Disciplinary Actions Against Judges and Attorneys

As officers of the courts, judges and lawyers hold the keys to the integrity of our judicial system. Our society depends on them for the fair and just treatment of all who enter a courtroom. Unethical conduct on the part of these individuals can have deleterious consequences for our legal system. Kentucky’s judges rarely find themselves the recipients of disciplinary action for their conduct. Indeed, since 1994, the number of such actions has remained fewer than 10 per year. Attorneys, however, have been disciplined far more often, peaking at 74 disciplinary actions in fiscal year 2005. The number dropped considerably to 56 the following year, but it remains higher than the previous high of 54 actions in fiscal year 2000.

25.2

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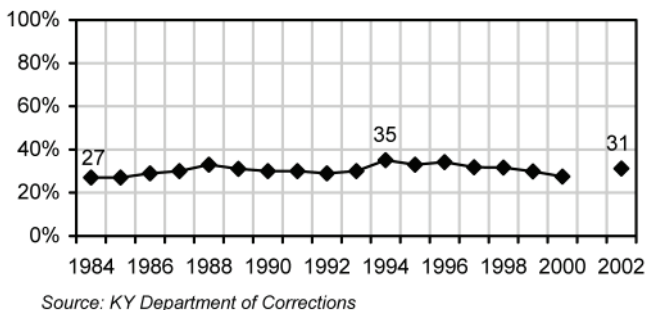
25.3

Recidivism

In Kentucky, someone is considered a recidivist when they return to the custody of the Department of Corrections within two years of their release from prison. The rate of recidivism partially reflects the success of efforts to educate, rehabilitate, and help prisoners become law-abiding, productive members of society after their release. However, the majority of recidivists have been convicted of violent crimes. Over the last 20 years, Kentucky's recidivism rate was at its lowest in 1984 (27 percent), increased to 35 percent by 1994, and was 31 percent in 2002.

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**25.3: Recidivism Rates in
Kentucky, 1984-2002**



26

Citizens should
continue to
broaden their
understanding
of issues, play
a role in the
civic life of their
communities,
and recognize
the enduring
importance
of their
participation.

While public opinion has hit higher levels in regard to our progress toward a richer civic life, about 36 percent of Kentuckians consistently see progress on this goal. Overall, the goal ranked 5th in progress in 2006, up from a low of 14th in 2000. Its ranked importance, however, fell sharply from a high of 12th in 2004 to 21st in 2006.

	1998	2000	2002	2004	2006
Making Progress	41%	36%	45%	36%	36%
Standing Still	41%	42%	42%	48%	47%
Losing Ground	18%	22%	13%	16%	17%

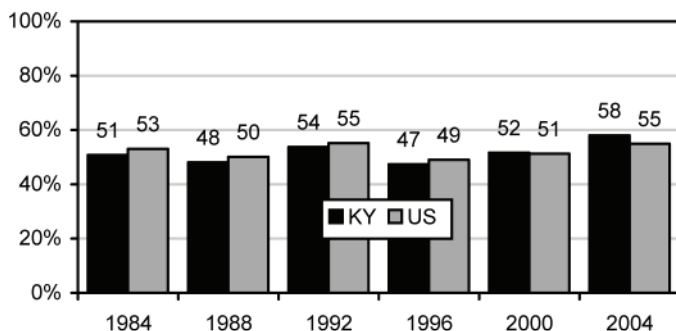
26.1

Voter Participation

The extent to which we exercise our right to elect the representatives who serve as our voice in this democracy provides a basic measure of the health of citizen participation in Kentucky. Prior to the hotly contested 2000 presidential race, when a higher percentage of voting-age Kentuckians went to the polls than at the national level, the state had ranked consistently below the national average in the percent of voting-age population voting in the presidential election, and national voter participation rates are widely regarded as poor. For the 2004 presidential election, Kentucky's turnout exceeded the nation's by three percentage points, 58 percent versus 55 percent. Though these rates fell below those predicted just before the 2004 ballot—forecasts indicated turnout rates of 64 percent for Kentucky and 59 percent for the nation—voter participation was at its highest since 1968, reflecting the intensity of political activity and discourse seen in recent years.

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26.1: Percent of Voting-Age Population Who Voted in Presidential Elections



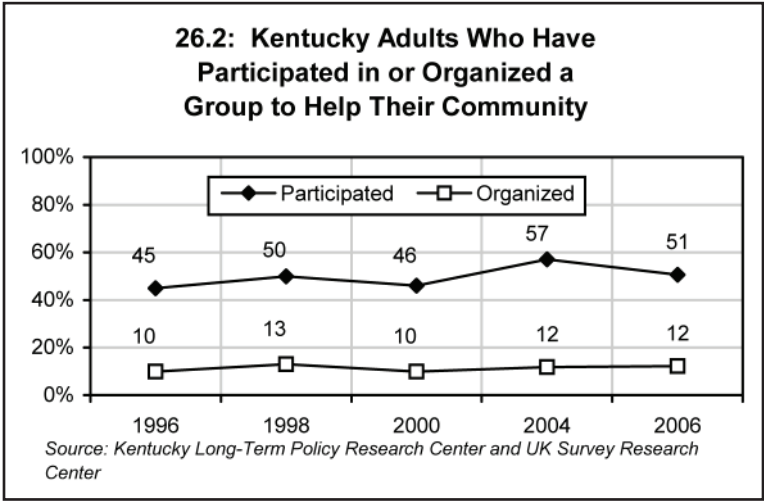
Source: US Election Assistance Commission

Contributions to the Common Good

Mobilizing citizens to help solve community problems can strengthen democracy, enhance the quality of life in a community, and allow government to stretch its dollars. About half of Kentucky adults (51 percent) have worked with a group of people to solve a problem or meet a need in their community, such as cleaning up public areas, participating in neighborhood watch programs, or raising funds for the preservation of a historic community building. This measure of community involvement has held remarkably steady since 1996. Likewise, another measure of contributing to the common good, the percentage of Kentuckians who have led an initiative to help their community, has been consistently at about 12 percent since 1996.

26.2

KENTUCKY
LONG-TERM POLICY
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26.3

KENTUCKY
LONG-TERM POLICY
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Leadership Development

Leaders, our research suggests, are not just born, as the adage would suggest. Indeed, they can be developed in training that actually increases the likelihood of their becoming engaged in projects and organizations. Specifically, our research shows that people who have received leadership training are far more likely to participate in and lead community groups, volunteer more hours, and initiate civic projects. Thus, leadership development training lends important support to civil society, strengthening the capacity of individuals and organizations. Since these data were first collected in 1996, the percent of Kentucky adults who have participated in leadership development training programs has remained fairly consistent at approximately 28 percent, indicating that more than a quarter of those most likely to lead are equipped to do so.

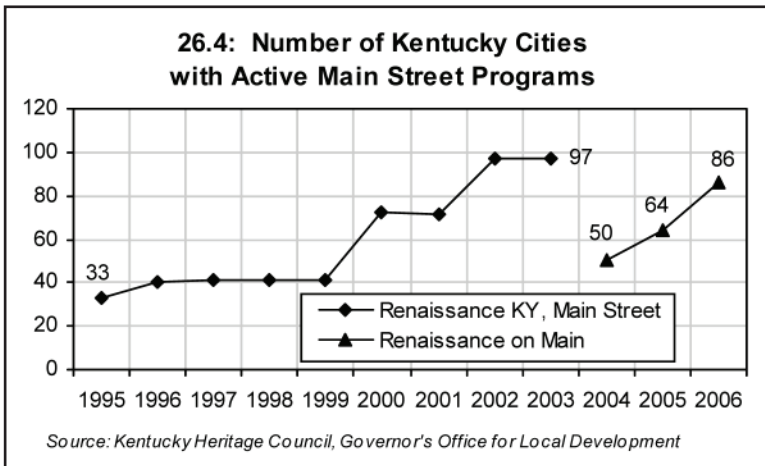


Downtown Revitalization

Prior to 2004, Renaissance Kentucky and the Kentucky Main Street Program worked to provide assistance and funding to help communities throughout the state revitalize their downtowns. In 2004, however, the two programs were folded into Renaissance on Main, administered by the Governor's Office for Local Development (GOLD). As with Renaissance Kentucky and the Kentucky Main Street Program, Renaissance on Main divides cities into three classifications, with only the top two tiers receiving funding for their programs. Initially, the number of cities with active (funded) programs dropped nearly 50 percent after the transition to Renaissance on Main. Since then, however, this number has recovered significantly, with 86 cities qualifying for funding in 2006, demonstrating Kentuckians' continued interest in restoring and maintaining the vitality of their community centers.

26.4

KENTUCKY
LONG-TERM POLICY
RESEARCH CENTER



SOURCES

1.1 Personal Safety. These data were obtained from survey questions commissioned by the Kentucky Long-Term Policy Research Center and asked on surveys conducted by the University of Kentucky (UK) Survey Research Center in 1996, 1998, 2000, 2002, 2004, and 2006. Households were selected using random-digit dialing, a procedure giving every residential telephone line in Kentucky an equal probability of being called.

The calls for the 1996, 1998, 2000, 2002, 2004, and 2006 surveys were made from May 5 to June 5, 1996, May 11 to June 10, 1998, May 18 to June 26, 2000, July 20 to August 26, 2002, April 14 to May 17, 2004, and July 5 to July 27, 2006, respectively. The samples for the 1996, 1998, 2000, 2002, 2004, and 2006 surveys included 629, 658, 1,070, 882, 831, and 855 noninstitutionalized Kentuckians 18 years of age or older, respectively. The margins of error for the 1996, 1998, 2000, 2002, 2004, and 2006 surveys were slightly less than 4, 3.82, 3, 3.3, 3.4, and 3.4 percentage points, respectively, at the 95 percent confidence level for all six surveys. We asked Kentuckians: *How safe do you feel in your community: do you always feel safe, usually feel safe, seldom feel safe, or never feel safe?*

1.2 Crime. The source for these data is the U.S. Department of Justice publication, *Crime in the United States 2005*, “Table 4: Crime in the United States by Region, Geographic Division, and State, 2004-2005,” which is available at the Federal Bureau of Investigation’s Web site <<http://www.fbi.gov>>.

1.3 Neighborliness. Data are from Spring 1996, 1998, 2000, 2002, 2004, and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Not counting your family, approximately how many people in your community, such as your neighbors, do you feel you can rely on for assistance in times of need? For example, if your car breaks down or if you need a babysitter on short notice.*

1.4 Employment of Persons with Disabilities. These data are from Andrew J. Houtenville, “Disability Statistics in the United States,” Cornell University Rehabilitation Research and Training Center on Disability Demographics and Statistics (StatsRRTC), Ithaca, New York, available online at <<http://www.disabilitystatistics.org>>. These estimates are based on data from the Current Population Survey (CPS). Persons with a disability are those who have a “health problem or disability which prevents them from working or which limits the kind or amount of work they can do.” This definition puts disability in the social context of work and is commonly used in the economics literature.

2.1 Child Abuse. These data come from *County Data Book, Kentucky Kids Count, Families Count*, various years, a project of Kentucky Youth Advocates and Kentucky Population Research, University of Louisville. They cite Kentucky’s Cabinet for Families and Children, Department for Community-Based Services and include the following data note:

Data for child abuse and neglect have been tracked in the KIDS COUNT County data book since 1991. However, KIDS COUNT data reported prior to 1998 do not present

comparable data to those published since 1998. The change in data reporting is due to the following policy change in Kentucky's child protection system:

Prior to 1998, substantiated reports of abuse or neglect included the finding, "some indication," meaning that there was some evidence presented to indicate neglect or abuse, but not sufficient evidence to substantiate. In 1998, the Cabinet for Families and Children adopted a policy that eliminated the finding of "some indication" of abuse or neglect. Findings in child abuse and neglect investigations must now have a "substantiated" finding in order to be reported as "substantiated" for data collection purposes. "Substantiated" is defined as either (a) An admission of abuse, neglect, or dependency by the person responsible; or (b) A judicial finding of child abuse, neglect, or dependency; or (c) A preponderance of evidence exists that abuse, neglect, or dependency was committed by the person alleged to be responsible. A preponderance of evidence is found when a reasonable person would find it more likely than not that abuse or neglect has occurred. See Kentucky Administration Regulations at 922 KAR 1:330.

2.2 Teen Parents. The source for 1993-2001 data is the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, accessed online at <<http://www.cdc.gov/nchs>>. Data for 2001 come from Table 10 in *National Vital Statistics Report*, Vol. 51, No. 2, December 18, 2002. Data for 2000 come from Table 10 in *National Vital Statistics Report*, Vol. 50, No. 5, February 12, 2002, and for the years 1993 to 1999 from Table 4 in *National Vital Statistics Report*, Vol. 49, No. 10, September 25, 2001. The source for 2002-2003 data is KIDS COUNT state-level data, online at <<http://www.aecf.org/kidscount/sld/index.jsp>>.

2.3 Elder Care. Information on the earlier surveys is available in the detailed notes section of *Visioning Kentucky's Future: Measures and Milestones 2004*, available online at <<http://www.kltprc.net/books/2004/entry.htm>>. Data for 2006 are from the Spring 2006 telephone survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Have you personally ever used or inquired about elder care services for yourself or someone else? We mean services such as nursing home care, personal care attendants, adult day care, assisted living facilities, and other similar types of elder care service with the following possible answers: yes, for myself; yes, for someone else; no.* We then asked the next two questions: *Would you describe yourself as extremely satisfied, somewhat satisfied, somewhat dissatisfied, or extremely dissatisfied with the **availability** of high-quality elder care services in your community?* and *Would you describe yourself as extremely satisfied, somewhat satisfied, somewhat dissatisfied, or extremely dissatisfied with the **affordability** of high-quality elder care services in your community?*

2.4 Child Care. Information on the earlier surveys is available in the detailed notes section of *Visioning Kentucky's Future: Measures and Milestones 2004*, available online at <<http://www.kltprc.net/books/2004/entry.htm>>. The 2006 data are from a telephone survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentucky parents with children under the age of 8 in their household: *Would you describe yourself as extremely satisfied, somewhat satisfied, somewhat dissatisfied, or extremely dissatisfied with the **availability** of high-quality day care in your community?* and *Would you describe yourself as extremely*

satisfied, somewhat satisfied, somewhat dissatisfied, or extremely dissatisfied with the affordability of high-quality day care in your community?

3.1 Homelessness. Here we present data and information from surveys conducted by the Coalition for the Homeless, Inc., of the Louisville Metro area. The graph illustrates the unduplicated count of persons served by the Louisville Metro Area homeless shelters between 2002 and 2005; it is available at <<http://www.homelesscoal.org/ourpublications/census05.pdf>>. The text contains information about the characteristics of the metro area's homeless population that were derived from a January 2006 point-in-time survey of persons being sheltered in Louisville facilities for the homeless; results are available online at <<http://www.homelesscoal.org/ourpublications/pit06.pdf>>. Information about the characteristics of the national homeless population and successful efforts to address the problem were derived from a series of reports conducted by National Public Radio in the summer of 2006.

The U.S. Department of Housing and Urban Development defines the chronically homeless as those who remain homeless for extended periods of time due to disabilities, chemical dependency, and other special needs. While the chronically homeless represent less than one quarter of the homeless population, they consume more than 50 percent of homeless resources.

3.2 Housing Affordability. Homeownership rates were taken from the U.S. Census Bureau, *Housing Vacancy Survey*, "Table 13: Homeownership Rates by State: 1984 to 2005," accessed online at <<http://www.census.gov/hhes/www/housing/hvs/annual05/ann05t13.html>>. This section discusses affordability in the context of home ownership. It is also important to consider affordability for renter households, which is a matter of growing concern. Extensive information on housing affordability for low-income renters can also be found in the Kentucky Housing Needs Assessment. Excerpts that provide some insight into low-income renters: "... some 55% of low-income renters experienced high housing cost burdens in 2000. These 130,000 households paid more than 30% of their income on housing costs. About half of those households, 27%, had extreme housing cost burdens, paying more than 50% of income on rent and utilities. In percentage terms, these numbers have remained fairly constant over the past two decades," and "We compare the number of unassisted low-income renter households, which is about 133,400, with the number of households with unaffordable cost burdens, about 130,000. This comparison indicates that unassisted low-income households are not able to find affordable housing."

3.3 Housing Adequacy. Data are from the U.S. Census Bureau's 1990 and 2000 decennial census, and the 2005 American Community Survey.

3.4 Access to Subsidized Housing. The selected city governments administer their respective Section 8 housing programs, and the data were obtained from these sources. The Kentucky Housing Corporation provided the waiting list numbers for its Section 8 units. Section 8 assistance is provided in two general forms: tenant-based rental assistance through the Housing Choice Voucher Program and project-based rental assistance that is typically provided at subsidized housing developments (e.g., apartment complexes). The waiting lists cited in this section are for tenant-based rental assistance under the Housing Choice Voucher Program, the federal program that offers families choice

in renting housing on the open market, rather than subsidized housing developments with project-based assistance. Information about the rising cost of housing relative to income was drawn from an electronic public news alert from the Census Bureau, “New Census Bureau Data Highlight Changes in Housing Values Through 2005,” October 3, 2006, and Janny Scott and Randal C. Archibold, “Across Nation, Housing Costs Rise as Burden,” *The New York Times*, October 3, 2006.

4.1 Health Insurance Coverage. With this edition, we present data for persons under the age of 65 rather than for all persons, as these data more accurately reflect the uninsured population. Health insurance rates were drawn from the U.S. Census Bureau’s Web site, specifically from *Historical Health Insurance Tables*, “Health Insurance Coverage Status and Type of Coverage by State—People Under 65: 1987-2005,” on September 26, 2006. The data are available at <<http://www.census.gov/hhes/www/hlthins/historic/hihistt6.html>>.

Information about the 2006 rate of increase for health insurance costs, workers’ wages, and inflation was drawn from a survey conducted by the Kaiser Family Foundation and the Health Research and Educational Trust and reported on in: Gary Claxton, Jon Gabel, Isadora Gil, Jeremy Pickreign, Heidi Whitmore, Benjamin Finder, Bianca DiJulio, and Samantha Hawkins, “Health Benefits in 2006: Premium Increases Moderate, Enrollment in Consumer-Directed Health Plans Remains Modest,” *Health Affairs*, September 26, 2006. An abstract of the full article in *Health Affairs*, which is subscriber based, is available online at <<http://content.healthaffairs.org/cgi/content/abstract/hlthaff.25.w476>>. The findings are also available on the Kaiser Family Foundation’s Web site at <<http://www.kff.org/>>.

In the past, health insurance questions posed by the Census Bureau have led to underreporting of the insured population when compared to other surveys. In the 2000 survey, the Census Bureau added verification questions to the series of questions on health insurance. These questions increased the insured estimate, which is more in line with those obtained from other surveys. However, the earlier years reported do not use these questions and are therefore subject to underestimation of the insured population.

4.2 Prenatal Care. Data for 1991-2002 can be found in “Table 34: Percent of mothers beginning prenatal care in the first trimester and percent of mothers with late or no prenatal care by race of mother: United States and each state,” of *National Vital Statistics* (formerly *Monthly Vital Statistics*), published by the Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics. The exact publication numbers and dates for each year of data shown in the figure are as follows: 1993—Vol. 44, No. 3, September 21, 1995; 1994—Vol. 44, No. 11, June 24, 1996; 1995—Vol. 45, No. 11, June 10, 1997; 1996—Vol. 46, No. 11, June 30, 1998; 1997—Vol. 47, No. 18, April 29, 1999; 1998—Vol. 48, No. 3, March 28, 2000; 1999—Vol. 49, No. 1, April 17, 2001; 2000—Vol. 50, No. 5, February 12, 2002; 2001—Vol. 51, No. 2, December 18, 2002; 2002—Vol. 52, No. 10, December 17, 2003. Data for 2003 are from “Table 8: Early prenatal care according to race and Hispanic origin of mother, geographic division, and state: United States, average annual 1995-97, 1998-2000, and 2001-2003,” from *Health, United States, 2005*, published by the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics.

4.3 Obesity. The percentages represent 3-year averages and were generated from the Behavioral Risk Factor Surveillance System Survey data, Department of Health and Human Services, Centers for Disease Control and Prevention (CDC), Atlanta, GA, 1984 to 2005. The data are available on the CDC Web site at <<http://www.cdc.gov/brfss/>>. Data on obesity-related medical expenditures for Kentucky were taken from Erick A. Finkelstein, Ian C. Fiebelkor, and Guijing Wang, "State-Level Estimates of Annual Medical Expenditures Attributable to Obesity," *Obesity Research* (Silver Spring, MD: North American Association for the Study of Obesity) Vol. 12, No.1, 2004, pages 18-24. The medical research regarding the risk of being slightly overweight is from Kenneth F. Adams, et al., "Overweight, Obesity, and Mortality in a Large Prospective Cohort of Persons 50 to 71 Years Old," *New England Journal of Medicine*, Vol. 355, pages 763-778, abstract, September 7, 2006 <<http://content.nejm.org/cgi/content/abstract/NEJMoa055643>>.

4.4 Smoking. The percentages represent 3-year averages and were generated from the Behavioral Risk Factor Surveillance System Survey Data, Department of Health and Human Services, Centers for Disease Control and Prevention (CDC), Atlanta, GA, 1984-2005. The data are available on the CDC Web site at <<http://www.cdc.gov/brfss/>>. Data on smoking-related medical expenditures for Kentucky were taken from "CDC Tobacco Control, State Highlights 2002, Kentucky" at <http://www.cdc.gov/tobacco/statehi/html_2002/kentucky.htm> and the U.S. General Accounting Office, "CDC 2002 Report on Health Consequences of Smoking," GAO-03-942R, 2003 <<http://www.gao.gov/new.items/d03942r.pdf>>. A "current smoker" is someone who has smoked at least 100 cigarettes in his or her lifetime and reported smoking every day or some days in the past month.

5.1 Volunteerism and Charitable Giving. Data are from Spring 1996, 1998, 2000, 2002, 2004, and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *In the past 12 months have you volunteered your time for civic, community, charitable, or nonprofit activities or church related activities? and Have you made a donation to a charitable or nonprofit organization in the last year?* The references to national civic health come from *America's Civic Health Index: Broken Engagement*, the National Conference on Citizenship in association with CIRCLE and Saguaro Seminar, September 18, 2006 <http://casefoundation.cachefly.net/pdf/civic_health_summary.pdf>.

5.2 Charitable Giving. National-level data on charitable giving are from "Tax Year 2004: Historical Table 2" in the *SOI Bulletin* of the Internal Revenue Service and can be found at <<http://www.irs.gov/taxstats/indtaxstats/>>. More recent data used in the text were taken from a press release, "Charitable Giving Rises 6 Percent to More Than \$260 Billion in 2005," on philanthropic trends as compiled in an annual report, *Giving USA*, issued by the Giving Institute, formerly the American Association of Fundraising Counsel. The press release can be found online at <<http://www.aafrc.org/gusa/>>.

5.3 Trust. Data are from Spring 1996, 1998, 2000, 2002, 2004, and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Some people say that you can usually*

trust people. Others say you must be wary in relations with people. Which is closest to your view?

The text here notes that trust levels nationally are much lower than those in Kentucky. These data come from the General Social Survey (GSS), one of the more comprehensive public opinion data sources available to social scientists at present. The GSS data are gathered by the University of Chicago's National Opinion Research Center (NORC) and maintained by the University of Michigan's Inter-University Consortium for Political and Social Research (ICPSR). Findings on trust levels from the GSS can be accessed online at <<http://www.icpsr.umich.edu/gss/>>. The GSS asks a national sample: *Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?*

5.4 Community Pride. Data are from Spring 1996, 1998, 2000, 2002, 2004, and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *In general, would you say you are extremely proud, somewhat proud, or not proud at all of your community?*

6.1 Discrimination. These data were provided by the Kentucky Commission on Human Rights. Statistics for 1993-1996 and 2000 were cited by Beverly L. Watts, Executive Director. Statistics for 1997-1999 were cited by Leslie Jones, Branch Manager, Enforcement in the Commission. Statistics for 2001-2003 were cited by Victoria Dempsey, Public Information Officer. Statistics for 2004-2006 are from the Commission's annual reports accessed online at <<http://www.state.ky.us/agencies2/kchr>>.

6.2 Hate Crimes. The source for these data is the U.S. Department of Justice, the Federal Bureau of Investigation, Criminal Justice Information Services Division, *Hate Crime Statistics, selected years*, available online at <<http://www.fbi.gov>>.

The Kentucky Long-Term Policy Research Center calculates its own rates using the entire state population, as estimated by the U.S. Census Bureau. Not all law enforcement agencies participate in the National Incident-Based Reporting System (NIBRS). The rates published by the FBI use only the population covered by those agencies participating in NIBRS. Since we use a larger population estimate, our rates are likely to be smaller than those reported in the FBI's reports of hate crime statistics.

6.3 Sex Discrimination. See Indicator 6.1.

6.4. Gender Wage Ratio. These data are Kentucky Long-Term Policy Research Center calculations using wage data on wage and salary workers only from the U.S. Census Bureau's March Current Population Survey. The wage ratios were calculated using hourly wage rates for men and women in Kentucky and the United States. The samples excluded all self-employed and farm workers and those with imputed wages. Only workers age 18 to 62 were included to represent the labor force. The wage was calculated as the yearly income from salary and wages divided by the product of the average number of hours worked per week and the number of weeks worked the previous year.

7.1 College Enrollment. These data were gathered from the National Information Center for Higher Education Policymaking and Analysis, online at <<http://www.higheredinfo.org>>. College-going rates represent the ratio of public and private high school

graduates who enroll in a college anywhere in the United States within a year of graduation.

7.2 High School Attainment Rates. Data for 1990 and 2000 were obtained online from the decennial census results for these two years. The remaining data were obtained from the American Community Survey. All data sets are a result of surveys conducted by the U.S. Census Bureau and can be accessed online at <<http://factfinder.census.gov/home/saff/main.html>>.

7.3. College Attainment Rates. Data for 1990 and 2000 were obtained online from the decennial census results for these two years. The remaining data were obtained from the American Community Survey. All data sets are a result of surveys conducted by the U.S. Census Bureau and can be accessed online at <<http://factfinder.census.gov/home/saff/main.html>>.

7.4 Nontraditional Students. The Council on Postsecondary Education (CPE) has tracked nontraditional students in state colleges and universities since 1986. The data cited here are from the table: “Headcount Enrollment by Age and Level, Fall 1989-Fall 1998—State-Supported Institutions,” at <<http://www.cpe.state.ky.us/data/enroll/enrollment.htm>>. Data for 1999 are from “Total Undergraduate Headcount by Level and Traditional/Non-Traditional Age, Kentucky State-Supported Institutions, Fall 1999,” and 2000 data were calculated from “Total Undergraduate Headcount by Level and Traditional/Non-Traditional Age, Kentucky State-Supported Institutions, Fall 2000.” Data for 2001 were calculated from “Total Undergraduate Headcount by Level and Traditional/Non-Traditional Age, Kentucky State-Supported Institutions, Fall 2001,” at <<http://www.cpe.state.ky.us/facts/age.pdf>>; 2002 data came from “Total Undergraduate Headcount by Level and Age, Kentucky State-Supported Institutions, Fall 2002,” at <http://www.cpe.state.ky.us/facts/CompTables/age_state_supported.pdf>. Data for 2003 through 2005 were obtained via e-mail from the CPE’s Charles McGrew on September 11, 2006.

The postsecondary education system was reorganized to include community and technical colleges within the same system. With this change came the tracking of enrollment data for technical colleges that were not collected before 2000. In addition, the rates we reported prior to the 2002 edition of this publication included all students (graduate and professional students as well as undergraduates), rather than undergraduate nontraditional enrollment rates. Recent data are available only for undergraduate, nontraditional enrollment rates. These have been recalculated to reflect undergraduate, nontraditional enrollment. Thus, these data are not comparable to those reported in pre-2002 editions of *Visioning Kentucky’s Future: Measures and Milestones*.

8.1 Funding Equity. These data are from the Office of Education Accountability of the Kentucky General Assembly.

8.2 Achievement Test Scores. Data from ACT, Inc. for 1994-2006, “ACT Average Composite Scores by State,” are available online at <<http://www.act.org>>. The data for the percentages of Kentucky and U.S. ACT-tested students ready for college-level coursework are from the *ACT High School Profile Report*, which is available at <<http://www.act.org/news/data/06/pdf/states/Kentucky.pdf>>.

8.3 Performance Test Scores. NAEP Performance Test scores for Kentucky, the nation, and other states can be accessed online at <<http://www.nces.ed.gov/nationsreportcard/states>>.

8.4 Educational Achievement Gap. Data are drawn from the National Center for Education Statistics and are available at <<http://www.nces.ed.gov/nationsreportcard/nde/>>.

9.1 Child Poverty. These data were drawn from the 1980, 1990, and 2000 decennial censuses which can be found at <<http://www.census.gov/hhes/www/poverty/poverty.html>>; 1980 data for Kentucky are from the State Data Center. More recent data are from the annual American Community Survey, which was first fielded nationally by the U.S. Census Bureau in 2002; these data can be found online at <http://factfinder.census.gov/servlet/GRTSelectServlet?ds_name=ACS_2005_EST_G00_>.

9.2 Youth Alcohol and Drug Abuse. Data for 1997 are from the Centers for Disease Control and Prevention's Youth Risk Behavior Surveillance Survey (YRBSS), Division of Adolescent and School Health, published in "Youth Risk Behavior Surveillance—United States, 1997," by Laura Kann, Steven A. Kinchen, Barbara I. Williams, James G. Ross, Richard Lowry, Carl V. Hill, Joanne Gunbaum, Pamela S. Blumson, Janet L. Collins, Lloyd J. Kolbe, and State and Local YRBSS Coordinators, published in *Morbidity and Mortality Weekly Report*, August 14, 1998, Vol. 47, No. SS-3. Data for 1999 are from "Youth Risk Behavior Surveillance—United States, 1999," Vol. 49, No. SS-5, Table 21. Data for 2001 are online at <<http://www.uky.edu/RGS/PreventionResearch/yrbs2001/data/KHS2001gender.doc>>. Both state and national data for 2003 and 2005 are available online at <<http://apps.nccd.cdc.gov/yrbss/>>. Comprehensive youth risk data were published in the CDC's *Youth Risk Behavior Surveillance—United States, 2005*, also available online at <<http://www.cdc.gov/mmwr/PDF/SS/SS5505.pdf>>.

9.3 Child Immunizations. These data were drawn from "Table 78: Vaccination coverage among children 29-35 months of age according to geographic division, state, and selected urban areas: United States. 1995-2004," in *Health, United States, 2005*, which is published by the Centers for Disease Control and Prevention and can be accessed at <<http://www.cdc.gov/nchs/data/hus/05.pdf#search=%22Health%2C%20United%20States%2C%202005%22>>.

The data are derived from the National Immunization Survey (NIS), which is sponsored by the National Immunization Program (NIP) and conducted jointly by NIP and the National Center for Health Statistics (NCHS), Centers for Disease Control and Prevention. The NIS is a list-assisted random-digit-dialing telephone survey followed by a mailed survey to children's immunization providers that began data collection in April 1994 to monitor childhood immunization coverage.

The data shown here represent rates for the 4:3:1:3 combined immunization series, which includes the recommended number of vaccinations for diphtheria, tetanus, polio, measles, and influenza.

9.4 Early Childhood Education. Data for 1997 and 1998 were provided by Debbie Schumacher, Director, Division of Extended Learning, Kentucky Department of Education (KDE). Data for 1999 and 2000 were provided by Judy Sparks of Extended Learning Services, KDE. Data for 2001 through 2004 were provided by Annie Rooney

French of Extended Learning Services, KDE. Data for 2005-2006 were provided by Annette Bridges, Extended Learning Services, KDE.

10.1 Condition of School Buildings. Data are from the KDE, and are available online at <<http://www.education.ky.gov>>.

10.2 Juvenile Crime. The source for these data is the U.S. Department of Justice publication, *Crime in the United States 2004*, “Table 69: Arrests by State, 2004,” which is available at the Federal Bureau of Investigation’s Web site <<http://www.fbi.gov>>.

10.3 School Suspensions. Data for 1999-2000 are from the Kentucky Center for School Safety and R.E.A.C.H. of Louisville, Inc., Kentucky 2000: *Kentucky Safe Schools Data Project, Statewide and Regional Data Summary*. Data for school years 2000-01 through 2004-05 are from the Kentucky Center for School Safety, *Safe Schools Data Project*, various years, online at <<http://www.kysafeschools.org/clear/areport.html>>.

10.4 Expulsions from School. See Indicator 10.3.

11.1 Parent Involvement at Schools. The 1993-94 data are from *Schools and Staffing in the United States: A Statistical Profile, 1993-94*, “Table A22: Percentage of teachers in public schools who perceived certain issues as serious problems in their schools, by state: 1993-94,” page 173, available online at <<http://nces.ed.gov/pubs/96124.pdf>>. The 1999-00 data are from the *Schools and Staffing Survey: 1999-2000: Overview*, “Table 1.12: Percentage of teachers who reported that lack of parent involvement was a serious problem at their school, by state: 1999-2000,” page 29, available online at <<http://nces.ed.gov/pubs2002/2002313.pdf>>. The 2003-04 data are from U.S. Department of Education, National Center for Education Statistics, Schools and Staffing Survey, “Public School Teacher Questionnaire,” 2003-04, e-mail from Kerry Gruber, Project Director, Schools and Staffing Survey, National Center for Education Statistics.

11.2 Parent-Teacher Conferences. These percentages were derived from Kentucky Department of Education School Report Card data, which are available online at <<http://www.education.ky.gov>>.

11.3 Parent Volunteerism. These data are from Spring 1996, 1998, 2000, 2002, 2004, and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentucky parents of children who attend school: *Have you volunteered any of your time for school-related activities in the past 12 months?*

11.4 Parents Who Read to Their Children. Spring 1996, 1998, 2000, 2002, 2004, and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center provided these data (see Indicator 1.1). We asked Kentucky parents *Do you read to your children who are eight years old or younger?* and *Do you read to your children about every day, about once a week, about once a month, or less than once a month?* There is not a statistically significant difference between the 2004 estimate of 72 percent, with a 95 percent confidence interval between 66 percent and 79 percent, and the 2006 estimate of 59 percent, which has a confidence interval between 52 percent and 67 percent.

12.1 Library Use. Data were drawn from the Education Cabinet's Department for Libraries and Archives, *Statistical Report of Kentucky Public Libraries, Fiscal Year 2004-2005*, compiled and edited by Jay Bank of the Field Services Division. They are available online at <<http://www.kdla.ky.gov/libsupport/statistics/2004-2005/kystatreportfy20042005.pdf>>.

12.2 Academic Performance in Arts and Humanities. These data were drawn from the KDE's *2005 Performance Reports and No Child Left Behind Results*, which are available online at <http://apps.kde.state.ky.us/secure_cats_reports_05/index.cfm?fuseaction=main.display_regionstate>.

12.3 Cultural Opportunities. We asked Kentuckians: *Have you visited a museum, a festival, an arts performance or an historic site in your county in the past 12 months?* These data were obtained from survey questions commissioned by the Kentucky Long-Term Policy Research Center and asked on surveys conducted by the UK Survey Research Center in the Fall of 1996, 1998, and 2000, and Spring of 2004 and 2006. Households were selected using random-digit dialing, a procedure giving every residential telephone line in Kentucky an equal probability of being called. For more information about the Spring 2006 survey, see Indicator 1.1. The raw value is 54 percent, but the 2006 percentage reflects a weighted response to account for the difference between males and females. This weighting procedure lowers the percentage to 53 percent [male 2005 percentage of population (.4892) \times percentage of males answering "yes" to the question (.4903)] + [female 2005 percentage of population (.5104) \times percentage of females answering "yes" to the question (.5704)] = .53123 or 53 percent.

12.4 Arts Occupations. These KLTPRC estimates are based on data from the CPS conducted by the U.S. Census Bureau. The calculations were based on the total population in occupations using the occupation classification code of the U.S. Census Bureau. The percentages are those people in occupations related to the arts. Occupations included in that categorization are agents and business managers of artists, performers, and athletes; architects, except naval; artists and related workers; designers; actors; producers and directors; dancers and choreographers; musicians, singers, and related workers; entertainers and performers, sports and related workers; writers and authors; and photographers.

13.1 Poverty Rate. State data are from the U.S. Census Bureau, *Historical Poverty Tables*, "Table 21: Number of Poor and Poverty Rate, by State: 1980 to 2005." National data are taken from the U.S. Census Bureau, *Historical Poverty Tables*, "Table 2: Poverty Status of People by Family Relationship, Race, and Hispanic Origin: 1959 to 2005."

13.2 Poverty Among Elders. These data are from the American Community Survey of the U.S. Census Bureau and can be accessed online at <<http://factfinder.census.gov/home/saff/>>.

13.3 Family Poverty by Family Type. These data are from the American Community Survey and the decennial census, both conducted by the U.S. Census Bureau.

13.4 Income Distribution. These estimates are the result of Kentucky Long-Term Policy Research Center analysis of data from the *Annual Social and Economic Supplement* to the Current Population Survey.

14.1 Gross State Product. These data are from the Bureau of Economic Analysis, Regional Economic Accounts, available online at <<http://www.bea.gov/bea/regional/gsp/>>.

Gross State Product (GSP) differs from Gross Domestic Product (GDP) for the following reasons: GSP excludes and GDP includes the compensation of federal civilian and military personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except office equipment; and GSP and GDP have different revision schedules. For example, in 2001, real GDP increased 0.8 percent, and real GSP increased 0.4 percent.

14.2 Income. Our data are from the Bureau of Economic Analysis, Regional Economic Accounts available online at <<http://www.bea.gov/bea/regional/data.htm>>. Importantly, studies have shown that income and wages (see Indicator 14.3) may not be completely indicative of the true standard of living in a state. These studies show that cost-of-living and quality-of-life adjustments must be made to these measures to account for the true standard of living afforded in a given state. For instance, the ratio of Kentucky per capita income to the national average was approximately 82 percent in 1998. In Berger and Blomquist's study "Kentucky's Per Capita Income: What Should Be the Goal?" in the *Kentucky Annual Economic Report, 2000*, they show the ratio to be approximately 88 percent after adjustments for cost of living and quality of life.

14.3 Wages. These data are from the Bureau of Economic Analysis, Regional Economic Accounts available online at <<http://www.bea.gov/bea/regional/data.htm>>. Please see indicator 14.2 for more information on the effects of cost-of-living and quality-of-life adjustments to state-level wage estimates.

14.4 Unemployment Rates. These data are from the Bureau of Labor Statistics and can be found at <<http://www.bls.gov>>.

15.1 Scientific Research and Development Services. These data were culled from the U.S. Census Bureau's 1997 and 2002 Economic Census reports, which are available online at <<http://www.census.gov>>. The North American Industry Classification System (NAICS) defines this category (NAICS code 5417) in the following manner: *This industry group comprises establishments engaged in conducting original investigation undertaken on a systematic basis to gain new knowledge (research) and/or the application of research findings or other scientific knowledge for the creation of new or significantly improved products or processes (experimental development). The industries within this industry group are defined on the basis of the domain of research; that is, on the scientific expertise of the establishment.*

15.2 Foreign-Direct Investment. Data for years 1990-1994 come from the U.S. Department of Commerce, Economic and Statistics Administration, and the Bureau of Economic Analysis, annual reports, showing billions of dollars of investments in Kentucky to 1994, as measured by the gross value of plant, property, and equipment of U.S. affiliates of foreign companies. Data for 1995 to 2001 all came from the Kentucky Cabinet for Economic Development, *Deskbook of Economic Statistics*, accessed online at <<http://www.thinkkentucky.com>>. Foreign-direct investment (FDI) numbers for 2002 to 2004 were obtained from the Cabinet for Economic Development publication "Kentucky Exports and Foreign-Direct Investment," available online at <<http://www>>.

thinkkentucky.com/kyedc/pdfs/kyexport.pdf>. These values were all adjusted to 2004 constant dollars using the Consumer Price Index (CPI). Additional information on FDI was obtained from the Cabinet for Economic Development publication, “Kentucky Exports and Foreign-Direct Investment,” available online at <<http://www.thinkkentucky.com/kyedc/pdfs/kyexport.pdf>>.

15.3 Value of Exports. Data for 1990 to 1997 are from the Kentucky Cabinet for Economic Development, Research Division, “Kentucky Exports,” May 1997 and May 1999. Export values for 1998 to 2005 were obtained online from the Kentucky Cabinet for Economic Development at <<http://www.thinkkentucky.com>>. All of these values were then adjusted to 2005 constant dollars using the CPI-U. Additional information on exports was obtained from the Cabinet for Economic Development publication “Kentucky Exports and Foreign-Direct Investment,” available online at <<http://www.thinkkentucky.com/kyedc/pdfs/kyexport.pdf>>.

15.4 Export Ranking. Rankings for 1999 through 2004 were gathered from the Kentucky Cabinet for Economic Development’s *Deskbook of Economic Statistics*, available online at <<http://www.thinkkentucky.com>>. Pre-1999 rankings were obtained from the Kentucky Cabinet for Economic Development publication “Kentucky Exports: 2002.” Additional information on exports was obtained from the Cabinet for Economic Development publication, “Kentucky Exports and Foreign-Direct Investment,” available online at <<http://www.thinkkentucky.com/kyedc/pdfs/kyexport.pdf>>.

16.1 Farm Income. In order to get the latest *revised* values of income, different *Kentucky Agricultural Statistics* reports by the Kentucky Agricultural Department were used for the selected years. The net income per farm for the years 1950-1987 came from the 1992-1993 report; 1988-1992 income came from the 1995-1996 report; 1993 income came from the 1996-1997 report; 1994 income came from the 1997-1998 report, income for 1995 from the 1998-1999 report; 1996 income was obtained via e-mail from Thelma Poulter of the Kentucky Agricultural Statistics Service; income for 1997 came from the 2000-2001 report; 1998 income came from the 2001-2002 report; income for the years 1999-2002 came from the 2002-2003 report; and figures for 2003 and 2004 were gathered from the 2004-2005 report. Current dollar values were then adjusted to 2004 constant dollars using the CPI-U. Starting with 1993, the reports no longer explicitly reported the average net income per farm. These values were derived by dividing total net farm income by the number of farms reported for each year following 1993.

16.2 Agricultural Diversity. These data are from the 1993 to 2004 editions of the Kentucky Department of Agriculture’s annual report, *Kentucky Agricultural Statistics*. Receipts were converted to 2004 constant dollars using the CPI-U. Of the state’s top 11 commodities (as of 2004), only five had greater receipts in 2004 than in 1990: horses and mules, which grew 34 percent; broilers, rocketing from a miniscule \$2.7 million to \$691 million, now surpassing receipts for tobacco; and eggs, which more than doubled in value. Of the state’s top five crops—tobacco, corn, soybeans, hay, and wheat—only receipts for soybeans and corn grew during this time span. Corn peaked in 1996, when receipts were 37 percent higher than in 1990, before sliding to nearly 20 percent below 1990 receipts in 2003, then rebounding in 2004. Dairy products, the fourth leading agricultural commodity in 1990, tumbled 47 percent, now ranking seventh. In 1990,

cash receipts for horses and mules were 66 percent of tobacco's cash receipts; in 2004, tobacco receipts equaled 44 percent of receipts for horses and mules.

16.3 Value-Added Food Products. Data for 1982 to 1991 were obtained from the Kentucky Cabinet for Economic Development, *Kentucky Deskbook of Economic Statistics*. The Cabinet cites the U.S. Department of Commerce, Bureau of the Census, Annual Survey of Manufactures, Geographic Area Statistics, annual reports. Data for 1993-2004 were gleaned directly from these Census Bureau reports, except for the 1997 figure, which came from the 1997 Economic Census. We converted current dollar values to 2004 constant dollars using the CPI.

Inflation-Adjusted Cash Receipts for Kentucky's Top 11 Agricultural Commodities (in 2004 constant dollars)					
Commodity	1990 Cash Receipts (\$1000s)	2004 Cash Receipts (\$1000s)	Amount of Change	1990 Rank	2004 Rank
Horses & Mules	708,194	950,000	+34.1%	3	1
Broilers	2,703	690,932	+25464.5%	11	2
Cattle & Calves	985,864	620,650	-37.0%	2	3
Tobacco	1,067,518	421,694	-60.5%	1	4
Soybeans	329,682	372,216	+12.9%	6	5
Corn	330,667	340,466	+3.0%	5	6
Dairy Products	449,523	236,640	-47.4%	4	7
Hogs	267,583	104,513	-60.9%	7	8
Eggs	33,594	88,067	+162.1%	10	9
Hay	78,127	71,436	-8.6%	9	10
Wheat	82,464	69,715	-15.5%	8	11
ALL CROPS	2,385,182	1,387,683	-36.4%		
ALL LIVESTOCK	1,978,619	2,738,502	+2.9%		
TOTAL RECEIPTS	4,363,801	3,469,003	-14.8%		

16.4 Farms. These data are from the 2004-2005 edition of the Kentucky Department of Agriculture's annual report, *Kentucky Agricultural Statistics*.

17.1 Access to Water, Sewer Systems, and Garbage Collection. Data on garbage collection are taken from 2003 *Statewide Municipal Solid Waste Management Update* and the *Statewide Solid Waste Management Report – 2004 Update* from the Division of Waste Management in the Natural Resources and Environmental Protection Cabinet. Data on access to drinking water are from the Kentucky Division of Water and are available online at <http://www.water.ky.gov/homepage_repository/DW+Overview.htm>. Data on access to sewage systems are from the Environmental Quality Commission (EQC) report *State of Kentucky's Environment: 2000-2001*, pages 37-39, and *Fiscal Year 2003 Annual Report*, Department of Public Health, Cabinet for Health and Family Services, available online at <<http://chfs.ky.gov/dph/surv.htm>>.

17.2 Roads and Highways. These data are from Open Records Request OR00-010, January 13, 2000, from the Kentucky Transportation Cabinet, Division of Operations. Data for 2000-2005 were obtained directly from the Kentucky Transportation Cabinet via e-mail request.

17.3 Bridges. Kentucky data for the years 1990 to 2003 are from David T. Hartgen, "TEA-21's Impact: Performance of State Highway Systems 1984-2003," Feb. 2005, online at <http://www.johnlocke.org/acrobat/policyReports/2005_highway_perfor

mance_report.pdf>. All U.S. data and 2004 Kentucky data are from *Better Roads*, various years, online at <<http://betterroads.gcnpublishing.com/content/index.php>>.

17.4 Mass Transit. These data were drawn from the Corporation for Enterprise Development, *Report Card for the States*, report years 1990-1998, 2000-2004, and 2006.

18.1 Access to Personal Computers. Data are from the Spring 1996, 1998, 2000, 2002, 2004, and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Do you have a personal computer in your home?* If the respondent answered “no,” then we asked: *Do you have access to a personal computer at work, school, or elsewhere?*

18.2 Internet Access. These data are from the Spring 1996, 1998, 2000, 2002, 2004, and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Have you accessed the Internet or Worldwide Web in the last year?* In the 2000 survey everyone in the sample was asked this question, but the structure of the questionnaire was changed beginning in 2002. In 2002, 2004, and 2006 a “skip pattern” was used to filter out some of the respondents. Respondents were asked if they had access to a computer in their home, work, school, or elsewhere (see Indicator 18.1 above). If they answered no, they were not asked whether they had accessed the Internet in the last year. Even though these individuals were not asked whether they had accessed the Internet in the last year, we count them as an “implied no.” By comparison, excluding these individuals from the denominator increases the percentage of individuals accessing the Internet in the last year for 2002, 2004, and 2006 by about 10 percentage points.

18.3 Computer Access in Public Libraries. Here we depart from past presentations of individual county statistics and illustrate a decade-long pattern of growth in the number of computers for public use in public libraries relative to the state’s population. These data were provided by Jay Bank, with the Department for Libraries and Archives. Other data were drawn from the *Statistical Report of Kentucky Public Libraries, FY 2003-2004*, published in 2006.

18.4 Home Broadband Access. The percentage of U.S. adults with home broadband access was obtained from the Pew Internet & American Life Project report, *Home Broadband Adoption 2006*, published May 28, 2006. The percentage of Kentucky adults with home broadband access was obtained via a Kentucky Long-Term Policy Research Center survey conducted by the UK Survey Research Center. ConnectKentucky’s report, *2006 Progress Report*, provided the percentage of households in areas served by high-speed Internet providers. The report is available online at <<http://www.connectkentucky.org>>. Though 98 percent of households reside in counties where broadband is available, high-speed Internet service is not necessarily offered everywhere within these counties. Therefore, less than 98 percent of Kentucky’s households truly have broadband access, but we do not know the exact amount. For more information on broadband in Kentucky, please see “Broadband Access, Use Key to State’s Future,” *Foresight*, No. 45, available online at <<http://www.kltprc.net/foresight/no45.pdf>>.

19.1 Rainy Day Fund. Pre-2002 data are from the Office of the State Budget Director, Governor's Office for Policy Research, *The Importance of State Rainy Day Funds: the Kentucky Budget Reserve Trust Fund*, Policy Paper Series 1, Issue 1, October 2001. Data for 2002-2004 were received via e-mail on October 22, 2003, from Michael Jones of the Office of State Budget Director. Data for 2005-2006 were received via e-mail on September 20, 2006, from Dan Jacovitch of the LRC Budget Review Office. Kentucky's budgetary shortfall was calculated by the Consensus Forecasting Group, as reported in "Consensus Revenue Forecast and Receipts Update," a presentation by the Interim Joint Committee on Appropriations and Revenue given on November 25, 2003 <<http://www.osbd.state.ky.us>>.

19.2 Revenue Adequacy. These estimates were obtained from the Office of the Kentucky State Budget Director. The four-year moving averages were calculated as the average of the elasticities of the four years prior to each year shown. For instance, the first year, Fiscal Year (FY) 1978, is the four-year average of the elasticities FY75 through FY78.

19.3 State Government Bond Ratings. Data on Kentucky's bond rating come from Standard & Poor's and Moody's Investors Service, obtained via e-mail from Tom F. Howard of the Finance and Administration Cabinet. Prior editions of *Measures & Milestones* referenced ratings reported in the *Statistical Abstract of the United States*, various years. Here we use ratings taken directly from the credit rating agencies.

19.4 Regulatory Structure. Data are not available.

20.1 Entrepreneurs. These data come from Fall 1996, 1998, 2000, and Spring 2004 and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center conducted by the UK Survey Research Center (see Indicator 1.1 for more details on the 2006 survey). We asked Kentuckians: *Have you ever started a business?* The data on the number of self-employed are from *Small Business Profile: Kentucky*, U.S. Small Business Administration, Office of Advocacy <<http://www.sba.gov/advo/research/profiles/06ky.pdf>>. The estimate for the number of total employment comes from the Bureau of Labor Statistics <<http://www.bls.gov/eag/eag.KY.htm>>. We derive the 10 percent estimate by dividing the self-employed estimate of 194,119 by the estimated total employment from BLS, which is about 1.9 million.

20.2 The Entrepreneurial Impulse. These data come from Fall 1996, 1998, 2000, and Spring 2004 and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center conducted by the UK Survey Research Center (see Indicator 1.1 for more details on the 2006 survey). If the respondents said they had not ever started a business, then we asked: *Have you ever seriously considered starting your own business?*

20.3 Entrepreneurial Depth. Data on self-employment and self-employment income were obtained from the Bureau of Economic Analysis, Regional Economic Accounts, available online at <<http://www.bea.gov/bea/regional/statelocal.htm>>. For more information on entrepreneurial depth, see Sarah Low, "Regional Asset Indicators: Entrepreneurship Breadth and Depth," *The Main Street Economist: Commentary on the Rural*

Economy, Center for the Study of Rural America, Federal Reserve Bank of Kansas City, September 2004.

20.4 Patents. Data on patents are from the U.S. Department of Commerce, United States Patent and Trademark Office's *Patent Counts by Country/State and Year: All Patents, All Types, January 1, 1977-December 31, 2004*. Data on businesses were obtained from *County Business Patterns*.

21.1 Timberland Stock. These data are from a summary of Forest Inventory and Analysis (FIA) state inventory report data provided by Brad Smith of the U.S. Forest Service via e-mail on October 4, 2006. Text data are from the U.S. Department of Agriculture, U.S. Forest Service, *Forest Resources of the United States, 2002*, Table 10, also provided by Brad Smith via e-mail on October 4, 2006. Additional text data are from *America's Forests, 2003 Update*, published by the U.S. Forest Service, available online at <<http://www.fs.fed.us/publications/documents/forest-health-update2003.pdf>>.

21.2 Nature Preserves. Data for 1997-1999 came from the EQC's *State of Kentucky's Environment 2000-2001*, page 131. Data for 2000-2002 were received via e-mail on December 4, 2003, from EQC's Erik Siegel. Data for 2003-2006 were received from Joyce Bender, Nature Preserves and Natural Areas Branch Manager, Kentucky State Nature Preserves Commission. The Kentucky Heritage Land Conservation fund was created in 1990 and funded by the legislature in 1994 to provide a permanent source of funds to purchase natural areas. It is financed by revenues from the state portion of the unmined minerals tax, environmental fines, the sale of nature license plates, and interest earned on undistributed funds.

21.3 Soil Erosion. Chart data for the years 1977, 1987, and 1997 and text data are from EQC's *State of Kentucky's Environment 2000-2001*, page 104. The remaining data are from the U.S. Department of Agriculture, *National Resource Inventories, 1982-1997*, "Table 10: Estimated average annual sheet and rill erosion on nonfederal land, by state and year," available online at <<http://www.nrcs.usda.gov>>. In 2001, the Natural Resources Conservation Service began conducting the NRI annually rather than every five years, but this rapid schedule necessitated a change in data collection procedures. As a consequence, the NRI no longer produces statistically reliable state-level data. According to the NRCS Web site, "The 1997 NRI remains the best available nationally consistent, statistically reliable source of estimates on resource conditions and trends not yet addressed — or not addressed below the national or regional level — by the annual NRIs."

21.4 Plants and Wildlife. Data are from the U.S. Fish and Wildlife Service's Threatened and Endangered Species System (TESS). Numbers for the years 1973-2005 are year-end data (December 31) while the 2006 data are for October 2. The TESS database can be accessed online at <http://ecos.fws.gov/tess_public/SpeciesCountForm.do>.

22.1 Solid Waste Disposal. Data through 2002 were received via e-mail from Erik Siegel of the EQC on December 4, 2003. Data for 2003 and 2004 are from the Kentucky Division of Waste Management, *Statewide Solid Waste Management Report – 2004 Update*.

22.2 Motor Vehicle Fuel Use. Data were obtained from the U.S. Department of Transportation, Federal Highway Administration, Office of Highway Policy Information, *Highway Statistics*, selected years. The data are available online at <<http://www.fhwa.dot.gov/policy/ohpi/hss/hsspubs.htm>>.

22.3 Recycling. Data for 1995 through 1999 are from EQC's *State of Kentucky's Environment 2000-2001*. Data for 2000 to 2003 were obtained via e-mail from the Division of Waste Management's Leslie King. Data for 2004 and 2005 were received via e-mail from Catherine Guess of the Division of Waste Management.

Effective January 21, 2005, definitions and requirements for recyclers were changed by administrative regulation (401 KAR 49:080) as follows:

(6) "Recycler" means the following:

(a) Any person who operates a business for the purpose of recycling recovered material, as defined in KRS 224.01-010(20), collected from the municipal solid waste stream, excluding any business operated for the exclusive purpose of collecting motor vehicles or motor vehicle parts to be sold for reuse; or

(b) A recycling program operated by a municipality for the purpose of collecting recovered material, as defined in KRS 224.01-010(20), from the municipal solid waste stream.

22.4 Participation in Recycling Efforts. Information on the earlier surveys is available in the detailed notes section of *Visioning Kentucky's Future: Measures and Milestones 2004*, available online at <http://www.kltprc.net/books/2004/Chpt_9.pdf>. Data for 2006 are from the Spring 2006 telephone survey for the Kentucky Long-Term Policy Research Center by the UK Survey Research Center (see Indicator 1.1). We asked Kentuckians: *Does your household recycle items like glass containers, plastic containers, cans, or newspapers?*

23.1 Environmental Literacy. These data are from the Kentucky Environmental Education Council (KEEC) in the Kentucky Education Cabinet and the University of Kentucky Survey Research Center. A random sample of 668 Kentucky adults was surveyed from September 23 to November 3, 2004. The 12 survey questions and possible answers (correct answers are underlined below) that addressed knowledge of environmental issues were: 1) *What do you think is the most common source of water pollution in the United States?* <1> factory waste, <2> storm water run-off, <3> household wastewater; 2) *High in the Earth's atmosphere is the ozone layer. What does it protect the Earth from?* <1> acid rain, <2> violent changes in weather, <3> cancer-causing ultraviolet light; 3) *Which of the following do you think generates the most electricity in the United States?* <1> hydroelectric plants located on rivers, <2> nuclear power plants, <3> coal-burning power plants; 4) *Which of the following is the best definition of bio-diversity?* <1> the many types of plants, animals and other living things, <2> the various types of diseases that affect humans, <3> the many different opinions people have about environmental issues; 5) *What is the primary benefit of wetlands?* <1> they are useful for development of landfill sites, <2> they reduce the number of animal and plant species in an area, <3> they help clean water systems; 6) *Which of the following are typically considered to be renewable resources?* <1> iron and other metals, <2> solar energy

and trees, <3> coal and oil; 7) Which of the following are generally considered to be hazardous waste? <1> paints, acids, and pesticides, <2> glass and newspapers, <3> building materials such as scrap lumber and nails; 8) Which is considered to be the largest source of carbon monoxide in the atmosphere in the United States? <1> the breath from people and animals, <2> fumes from motor vehicles, <3> factory emissions; 9) In your opinion, which is the most common reason for the extinction of plant and animal species? <1> over-hunting, <2> habitat loss, <3> poisoning of individual animals and plants; 10) Where does most household garbage in the United States eventually end up? <1> in waterways and oceans, <2> in landfills, <3> illegal dumps; 11) What is a watershed? <1> a small building where water is stored, <2> the streams and lakes where different species of animals get their water, <3> the area that channels rain into a particular body of water; 12) Approximately where does Kentucky rank nationally in the percentage of acres per person converted to development? <1> 42nd, <2> 2nd, <3> 30th. The results shown in the graph represent a weighted average that was adjusted to more accurately reflect gender differences in the response rate and question responses. The overall percentage of correct answers is based on a weighted average of the percentage of correct answers to each question. Refer to the KEEC Web site for additional information about the survey at <<http://www.state.ky.us/agencies/envred/>>.

23.2 Air Quality. Data for 1980 to 1999 are from EQC's *State of Kentucky's Environment 2000-2001*, page 45. Post-1999 data were obtained from the Kentucky Division for Air Quality. Concentrations were reported in parts per million for all pollutants except particulates, which are measured in micrograms per cubic meter.

23.3 Water Quality. Data are from the U.S. Environmental Protection Agency, "FACTOIDS: Drinking Water and Ground Water Statistics for [selected years]," available online at <<http://www.epa.gov/safewater/data/getdata.html>>.

23.4 Toxic Releases. Data were obtained from the U.S. Environmental Protection Agency's Toxic Release Inventory Program. These data are available online at <<http://www.epa.gov/triexplorer/>>.

24.1 Women in State Legislatures. The data on legislative representation were obtained from the Center for American Women and Politics of the Eagleton Institute of Politics at Rutgers, The State University of New Jersey. They can be accessed online at <<http://www.cawp.rutgers.edu>>. The research referred to here includes such work as Susan J. Carroll, editor, *The Impact of Women in Public Office* (Bloomington, Indiana University Press, 2001); Michele L. Swers, *The Difference Women Make: The Policy Impact of Women in Congress* (Great Britain: Oxford University Press, 2006); Sue Thomas, "The Impact of Women on State Legislative Policies," *The Journal of Politics*, Vol.53, No. 4, November 1991; and *How Women Legislate* (Great Britain: Oxford University Press, 2006).

24.2 Minority Appointments. The number of nonofficio appointments by race comes from Edwin Orange of the Office of the Governor, obtained via e-mail from Hollis Rosenstein, November 2, 2006.

24.3 Ethics in Government. Pre-2001 data for the legislative branch came from the annual reports of the Legislative Ethics Commission. Donnita Crittenden of the Ken-

tucky Legislative Ethics Commission provided data for 2001 through 2003 via e-mail on December 18, 2003, and data for 2004 and 2005 on September 15, 2006. Data for the executive branch were provided via e-mail on October 2, 2006, by Jill LeMaster of the Executive Branch Ethics Commission, from the *Executive Branch Ethics Office Report*, selected years.

24.4 State and Local Government Efficiency. Data on the number of state and local government employees for each state were obtained from the U.S. Census Bureau's *State and Local Government Employment and Payroll Data*, which is available online at <<http://www.census.gov/govs/www/apesstl.html>>. These data exclude public, education sector employees.

25.1 Access to Public Defender Services. Graph data on annual caseloads come from the Department of Public Advocacy Annual Caseload Report, selected years, available online at <<http://dpa.state.ky.us/library/caseload.html>>.

25.2 Disciplinary Actions Against Judges and Attorneys. Data for Fiscal Years 1993-94 through 2000-01 are from the Kentucky Bar Association, *Supreme Court of Kentucky Disciplinary Decisions*, and the Judicial Conduct Commission, *The Judicial Conduct Reporter*, selected years. Data on disciplinary actions against attorneys for 2001-02 and 2002-03 were obtained via e-mail from the Kentucky Bar Association's Lisa Gayle on February 9, 2004; judicial data were received via fax on October 2, 2006, from Jim Lawson of the Kentucky Judicial Conduct Commission. Data for 2004-05 and 2005-06 were obtained from the American Bar Association's *Survey on Lawyer Discipline Systems* reports, available online at <<http://www.abanet.org>>.

25.3 Recidivism. These data were drawn from the Kentucky Department of Corrections reports, *Recidivism*, selected years. Reports are available online at <<http://www.corrections.ky.gov>>. The 2002 data is from Lisa Lamb, Kentucky Department of Corrections.

26.1 Voter Participation. Data are from the United States Election Assistance Commission, online at <http://www.eac.gov/election_survey_2004/state_data.htm>. The source of the projections for the 2004 presidential election was *The Washington Post*, published on November 6, 2004, Page A4, in the *Lexington Herald-Leader*.

26.2 Contributions to the Common Good. Data are from Fall 1996, 1998, 2000, and Spring 2004 and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center conducted by the UK Survey Research Center (see Indicator 1.1 for information about the Spring 2006 survey). We asked Kentuckians: *Have you ever participated with a group of people to work together to solve a problem or need in your community (such as cleaning up public areas, neighborhood watch programs, etc.).* If the respondent answered "yes" to this question, we then asked: *Were you the organizer or leader of that group effort?*

26.3 Leadership Development. These data were from Fall 1996, 1998, 2000, and Spring 2004 and 2006 telephone surveys for the Kentucky Long-Term Policy Research Center conducted by the UK Survey Research Center (see Indicator 1.1 for information

about the Spring 2006 survey). We asked Kentuckians: *Have you ever participated in a leadership development program or course?*

26.4 Downtown Revitalization. Numbers for Renaissance Kentucky and Main Street were provided via e-mail by Karen Keown of the Kentucky Heritage Council, a division of the Education, Arts and Humanities Cabinet. Numbers for Renaissance on Main were provided via e-mail by Cara H. Morris of the Governor's Office for Local Development (GOLD) on September 29, 2006. Seven organizations partnered together for Renaissance Kentucky: the Kentucky Heritage Council, Kentucky Housing Corporation, Kentucky League of Cities, Kentucky Department for Local Government, Kentucky Transportation Cabinet, Federal Home Loan Bank of Cincinnati, and Fannie Mae. As of 2000, the number of active Main Street programs reflected both Main Street and Renaissance Kentucky programs. During the 2000-2001 cycle, the city of Sebree was removed from the program; the city of Independence was removed in 2003. In 2004, operation of Renaissance Kentucky transferred from the Kentucky Housing Corporation to GOLD, and Renaissance Kentucky and Main Street were combined to form Renaissance on Main. Prior to this consolidation, cities were classified as Gold, Silver, or Bronze based upon their degree of participation. Renaissance on Main divides cities into three categories: Certified I, Certified II, and Candidate. Certified I and Certified II cities meet basic requirements and receive funding for their programs and are herein considered to be active programs; Candidate cities do not receive funding.

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